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USSR Report

NATIONAL ECONOMY

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RESOURCE UTILIZATION AND SUPPLY

JOURNAL SPONSORS ROUNDTABLE DISCUSSIONS ON SUPPLY

Moscow MATERIALNO-TEKHNICHESKOYE SNABZHENIYE in Russian No 6, Jun 86 pp 24-33

[Article: "Circulation of Material Resources and Efficiency of Public Production"]

[Text] Basic Directions for the Economic and Social Development of the USSR for 1986-1990 and for the Period Until the Year 2000 stress the need "to develop and improve the state-wide system of material and technical supply and to increase the responsibility of USSR Gosnab and supply bodies for observing the discipline of deliveries and for ensuring an economical and efficient utilization of fuel, raw materials, supplies, and secondary resources."

How to attain this? How to intensify the effect of the state-wide supply system on processes of production cooperation in order to improve them further? What economic levers should be activated for this?

The "roundtable" meeting organized by the journal's editorial department searched for answers to these questions.

The following took part in its work: A. Baskin, deputy director of the Scientific Research Institute of Economics and Organization of Material and Technical Supply; P. Gokhman, chief of the economics laboratory at ZIL [Moscow Motor Vehicle Plant imeni I. A. Likhachev]; S. Ivanov, deputy chief of the Main Administration for Recycling of Fireproof Materials; S. Karnaughov, department chief at USSR Gosnab; V. Kolesnikov, administration chief at the RSFSR State Committee for the Supply of Petroleum Products; O. Protsenko, doctor of economic sciences, professor at the USSR Academy of the National Economy; V. Samoylov, chief of the Main Administration for Supply of Complete Sets of Equipment for Food, Meat, and Dairy Industry Enterprises; A. Smirnov, deputy chief of the supply administration at ZIL; L. Shor,

department chief at the Moscow City Main Territorial Administration of USSR Gosnab.

O. Protsenko: The set of problems submitted for our present discussion is of extremely urgent significance for the national economy. I would like to dwell on problems of intensification of material and technical supply processes and their interconnection with the system of indicators reflecting the dynamics of development of the sphere of circulation.

A number of indicators can be characterized by such terms as output-capital, rate of commodity circulation, labor productivity, level of distribution costs, and so forth. Basic indicators must have without fail a direct connection with production intensification. What problems arise here?

In my opinion, norms of deductions into the material incentive fund do not fully meet the demand for the intensification of processes in the sphere of circulation and are not coordinated to a sufficient degree with the need to improve the quality of provision of the national economy with material resources. That is, there is a lack of coordination in the determination of fund forming indicators, on the one hand, and of the effect of intracost accounting and its indicators on an increase in the efficiency of supply for consumers, on the other.

A gradual transition to new evaluations of economic activity is needed. It seems reasonable to shift the emphasis to the reliability and quality of supply.

The new methods of management attach paramount importance to problems of accelerating the rate of circulation of material resources and of reducing stocks and, one might say, to the task of breaking the dynamics of their formation toward decreasing the rates of increase. Therefore, an objective aim at accelerating the rate of circulation of circulating capital and at forming a progressive structure of stocks through stimulation on the basis of a relatively stable, but, at the same time, periodically revised, system of progressive normative indicators should become the foundation for the evaluation of the activity of the sphere of circulation as a whole and of USSR Gosnab bodies in particular. In this case incentives should be directed toward reducing above-norm stocks and material incentive funds should be oriented toward fulfilling the plan for deliveries from the region of activity of a territorial body to other consumers. An analysis of data in terms of ministries and regions points to the need for further significant improvement in this task.

Ensuring deliveries from the time aspect is an extremely important problem. The just-in-time system--meeting a need as it arises--has become widespread in industrially developed countries. Under the conditions of the socialist planned economy and a gradual transition to wholesale trade, the acceleration indicator of the periods for filling orders should be more actively applied in the sphere of circulation.

At the same time, in the new system for evaluating the work of supply and sales bodies, along with the results of their own activity, it is necessary to

consider their effect on such final national economic indicators as a decrease in the material and power consumption of production and an increase in the proportion of articles of the superior-quality category.

In this case the following can serve as sources of incentive funds: wage fund savings obtained by combining jobs and establishing and introducing work places; sanctions for presenting incorrect data on the need for resources and the existence of above-norm stocks; upgrading the system of markups and discounts with due regard for an improvement in the efficiency and quality of supply.

V. Samoylov: I represent one of the outfitting organizations of the state-wide supply system, whose affairs and concerns, I assume, are typical for similar subdivisions. Long-term experience shows that, on the whole, existing practice makes it possible to fulfill plans for construction and installation work and to promptly commission start-up projects. Our mutual relations with construction and installation organizations, clients, all-Union main administrations for supply and sales, territorial administrations, and USSR Gosplan are strictly regulated. However, the established procedure is often violated flagrantly.

For us a plan is a list of construction projects which reflects all the necessary elements, that is, the volume of construction, money, and so forth. However, it is highly inconstant. Last year our clients made more than 900 corrections in plans. If changes are made at the beginning of the planning period, it is possible to accept them by maneuvering resources and mobilizing reserves. However, they begin in early January and end in late October-November. The atmosphere at construction projects becomes very tense. We can no longer redistribute resources, owing to which remainders grow. According to preliminary data, they increased by 39 million rubles last year.

A disruption in the established procedure of defense of the need in USSR Gosplan and all-Union main administrations for supply and sales also leads to such a situation. Planning bodies allocate funds for basic types of equipment not according to technical documents, but according to norms per million rubles of construction and installation work. We can judge the results, using the Nikolayev Dairy Plant as an example. According to technical documents, it needed 71 km of power cable. A little more than one-third of the true need was allocated. Our all-Union main administrations for supply and sales also adhere to such tendencies.

There is another sore subject--minimal shipment norms. We understand that their volume is dictated by the functioning characteristics of the transport system and the efficient operation of the rolling stock. However, paying primary attention to the correct utilization of railroad cars, we often artificially create prerequisites for the inefficient consumption of resources and provide yet another path to the formation of above-norm stocks.

The quality of interaction of all-Union main administrations for supplying complete sets of equipment with sectorial ministries deserves attention. Many difficulties arise here. For example, planning organizations plan the utilization of new equipment, but manufacturing enterprises do not master it.

There are cases when specifications were worked out as long ago as 1968, but the supplier plant has not been determined to this day.

A special organization which is to engage in deliveries of complete sets of flow lines has now been formed on the basis of the sales department at the Ministry of Machine Building for Light and Food Industry and Household Appliances. In our opinion, however, its establishment is unjustified. In 1981 the volumes of deliveries of complete sets made up 12.3 percent and in 1985, 11.6 percent. Only 9 percent are planned for 1986. Plants deliver equipment, which is not tested or run in.

There are many complications in work with ministries and departments which distribute products themselves. These are the USSR Ministry of Trade, the USSR Ministry of Power and Electrification, the USSR State Committee for Publishing Houses, Printing Plants, and the Book Trade, and others. The law of "departmental gravity" is manifested in an especially graphic manner here. For outfitting key national economic projects, resources are allocated at best during the second half of the year, after "their own" enterprises receive them. We believe that such a faulty practice should be stopped most resolutely. This can be attained by concentrating the distribution of resources exclusively in the hands of USSR Gosnab.

V. Kolesnikov: The problem examined by us today--improvement in the sphere of circulation--is closely interconnected with an efficient utilization of resources, which was also heard in the previous speech. I would even place the emphasis in the following manner: saving and thrift are the most important components of a planned and efficient provision of the national economy with products for production and technical purposes.

Under conditions of a relative decrease in the volumes of petroleum extraction in the last few years the saving of petroleum products has acquired special significance for our sector. The cost of measures to save them, to improve the consumption structure, and to introduce energy saving technical devices is one-half or one-third of the cost of buildup of new capacities.

The limited nature of resources sets for us tasks of a planned formation of scientifically substantiated stocks in the sphere of circulation, an accelerated development of the sector's material and technical base, and an increase in the efficiency of the intrasystem mechanism of saving.

At the same time, economic levers must stimulate the saving of petroleum products to a greater extent than the increase in the volumes of their deliveries. The basic evaluation indicator--realization in accordance with concluded contracts--in the part of ensuring deliveries directly to consumers played its positive role. At the same time, it uncovered significant shortcomings in the planning of these processes. The imperfection of the intrasystem transfer of resources of petroleum products was revealed in an especially obvious manner. Monthly transport plans uncovered the lack of correspondence of plans for the delivery of products with their production plans, led to a recalculation of resources subject to transportation, and began to hamper operational maneuvers of petroleum products.

The saving of petroleum products in the national economy is stimulated through a deduction of part of the capital from saved resources into economic incentive funds of the sector's collectives. However, this source makes it possible to form no more than 30 percent of the incentive funds, which limits the possibilities for an additional uncovering of resources.

Stimulating a reduction in losses inside the system and ensuring the preservation of petroleum products, along with other factors, require a high degree of accuracy of their recording. To date we do not have sufficiently improved technical measurement facilities. According to the All-Union State Standard, the instruments offered by industry have an error of up to 1 percent. It may seem that this is not much. However, this represents tons of unaccounted for petroleum products at every motor vehicle refueling station and tens of tons at petroleum bases, which creates conditions for their misappropriation. Moreover, the norming of expenditures in industrial sectors is far from perfect. In motor transport instruments record kilometers, but in no way reflect fuel consumption.

In 1983 the Ministry of Instrument Making, Automation Equipment, and Control Systems embarked on the solution of problems concerning the recording of petroleum products. For the time being, however, the developed technical facilities are less reliable and accurate than those made at the sector's shops. Of course, all this does not contribute to an improvement in the reliability and quality of provision of the national economy with petroleum products.

P. Gokhman: I represent industrial workers and, therefore, I want to touch upon problems of purely practical importance.

The fulfillment of contractual obligations for deliveries of products on the scheduled dates and according to the established list is now put in the forefront. Therefore, supply problems have acquired special importance for us, the balance of production plans with their material provision being the first in their rank.

As of 1 January ZIL adopted the new system of management. Immediately the plant was under the threat of nonfulfillment of contractual obligations. This means that material incentive funds will be reduced significantly with all the ensuing consequences. Why has this occurred?

A plan for the output of motor vehicles operating on the basis of natural compressed gas and of 20,000 gas cylinder sets for the reequipment of machines in operation was established for ZIL. As a result, it is possible to attain a fuel saving of 30 percent.

Our need for 50-liter cylinders for compressed natural gas is 240,000 units. Funds have been allocated for 126,000. Realizing the entire importance of the task set, ZIL created the necessary production capacities. As yet, however, all the attempts at placing a sign of equality between the production program and its material provision has led to nothing. USSR Gosplan and USSR Gossnab know this, but only the collective suffers.

Enterprises of the USSR Ministry of Ferrous Metallurgy supply such cylinders for the national economy. Capacities for increasing their output are now being established in the sector and additional funds will be allocated during the second half a year. However, our plan has been drawn as a uniform plan in terms of quarters and months. This means that we should also receive them uniformly, not en masse during the second half of a year. We will no longer be able to "digest" them and this will be reflected in ZIL's work indicators, as well as in the fulfillment of a key national economic task, and will cause an overexpenditure of fuel, which, as is evident from V. Kolesnikov's speech, is deficient chronically.

The situation with respect to the provision of industrial rubber articles is no better. This is a chronic disease and an impression is even created that it has been given up as hopeless everywhere. Nevertheless, it must be treated.

Another problem has appeared quite recently. It is beginning to disturb us very seriously, because it causes the formation of many thousands of tons of metal waste.

More than 10 years ago the USSR Ministry of Ferrous Metallurgy issued a document establishing the amounts of shipment of unmeasured high-grade rolled metal products to consumers by the sector's enterprises--up to 15 percent of the quantity of delivered metal. Since last year we have been receiving a flow of typographically printed letters in which metallurgists stipulate conditions advantageous for them. Some samples of such a "business-like" reaction to the changed conditions are now in front of me. I will cite one of them: "Please confirm your consent to the shipment of 15 percent of metal of a nonmeasured length. We are suspending the execution of the order pending confirmation." The ultimatum--one cannot call this letter differently--arrived from Volgograd. Similar demands arrive from almost all metallurgical plants.

Waste stocks on the order of 5,000 tons of metal are annually created at our head enterprise alone. We cannot use this metal in production, because we have flow-mass production. One cannot use rolled metal products of one size today and of another, tomorrow. It turns out that metallurgical plants report on the output of metal, which processors are forced to throw into a cupola furnace.

Why in 1975, when the USSR Ministry of Ferrous Metallurgy just signed this document, were there no such complaints? Because a slight inaccuracy was made in Special Conditions of Delivery of Ferrous Metal issued in 1984. They do not mention that such a procedure does not apply to enterprises operating on the basis of direct long-term economic relations.

Here is another question connected with the functioning of direct long-term relations. The concept itself implies direct contacts between the consumer and the supplier.

In practice, work was carried out in precisely this way. However, the USSR State Committee on Prices beginning in 1981 established that for attachment

and control over the functioning of direct long-term relations its bodies should impose on consumers a surcharge of 0.1 percent of the wholesale price of delivered products.

In practice, however, USSR Gossnab bodies exercise no control over deliveries. Moreover, they cannot exercise it, because the report on the sales of products on the basis of direct long-term relations is submitted at the end of the regular planning period. Therefore, it is a matter of ascertainment of the existing situation, not of a daily organizing control preventing disruptions.

In our opinion, the imposition of a surcharge for services, which, essentially, are not provided, amounting to several hundred thousand rubles annually at our plant alone, is illegitimate and should be abolished.

This is only a small part of the problems disturbing industrial workers in connection with the shortcomings in the sphere of circulation. I have especially dwelled on them at the "roundtable" meeting, because I hope that they will attract the attention of appropriate services of USSR Gossnab and its territorial bodies and other departments.

A. Smirnov: I will fill in my colleague about warehouse supply for industry. The following question was raised in the topics of the "round table": How to eliminate the causes of formation of above-norm stocks?

Not acting against my conscience, I will say that we have and, owing to the existing conditions of management, cannot but have above-norm stocks. Here I am also forced to go back to Special Conditions of Delivery of Rolled Metal Products. I don't know who coordinated them and how, but the fact that they bypassed ZIL is absolutely accurate.

There are very many contradictions. In order to facilitate the work of ferrous metallurgy, a number of benefits for the sector's enterprises have been envisaged. I think that it is clear why. However, they are not always justified.

Let us take shipment norms. The railroad car norm is 68 to 70 tons. It is not simple to make it up. To turn to enterprises for deliveries of products of the supply system is a realistic way out. But very often they do not have metal with the necessary properties.

We can come to an agreement with manufacturers--and they are agreeable to this--to outfit the railroad car with several sizes. However, all of them are rolled at different times. As a result, special-purpose metal is dispatched to warehouses of the supply system, which does not contradict Special Conditions. And here the most unpleasant thing begins.

Until recently plants have received special-purpose metal in a centralized manner and problems have not arisen. Now our workers visit enterprises for deliveries every day, because it is extremely complicated to receive metal--hundreds of vehicles accumulate near a warehouse. True, the new Special Conditions do not provide for centralized delivery if this feature is not

especially stipulated in a contract. However, the Mosgormetallosnabsbyt Association categorically refuses to include such a point.

In the end we receive metal. But in the process we make replacements and increase above-norm stocks.

Question: Doesn't it seem to you that the shipment of special-purpose metal to warehouses of enterprises for deliveries disorganizes their work? Metal supply and sales organizations do not know when products will arrive and in what quantities and, thereby, are unable to organize centralized delivery.

A. Smirnov: We pass all orders and specifications through Mosgormetallosnabsbyt. Its workers can envisage in advance when and to whom to dispatch. The fact that under the conditions of increase in volumes of deliveries an enterprise does not cope with its functions and needs urgent help in the organization of warehouse facilities is another matter.

A. Baskin: As a former worker of a plant supply service, the concerns of my colleagues from ZIL are very close and understandable to me. Nevertheless, let us look at supply from the positions of our organizations.

The problem of improvement in warehouse supply is very acute, but is solved more slowly than one would wish. One of the main reasons lies in the fact that the demands on this form of supply are high, but the allocated financial assets and material resources for its organization and development are not yet sufficient. One can become convinced of the correctness of such a statement, using many administrations, associations, and enterprises for deliveries of products as an example.

Therefore, however paradoxical my opinion may sound here, I believe that if we want to attain an improvement in the provision of industry and construction with resources, we must first face the concerns and needs of our sector. Producers and consumers of products must first consider supply bodies not simply intermediaries, but necessary and useful partners, and with their forces and funds must take a definite part in the creation of conditions necessary for an improvement in warehouse deliveries. Where the accomplishment of this task is approached from such positions, the gain for suppliers and consumers is mutual and very tangible.

L. Shor: A very correct thought. Indeed, the situation of Mosgormetallosnabsbyt is difficult. There is a big gap between the duties of enterprises in connection with deliveries and their real capabilities. On their part our main territorial administration and USSR Gossnab take the necessary measures.

Incorrect relations between industry and the supply system have been formed. Everything is for the consumer--this does not yet mean that production enterprises and associations should not participate in the solution of many problems of intersectorial cooperation.

This is how the matter stands not only in our country. Partnerships are established on the basis of enterprises and sales bodies in socialist states.

Many facts confirm the need for a combination of efforts. Mosavtotrans allocates motor vehicles to Mosgormetallosnabsbyt at the level of 70 to 80 percent of the need. There are no vehicles for the transportation of small freight. Those that arrive from enterprises to receive their half a ton of metal do not join in the rhythm of centralized delivery and stand idle.

Since the situation with transport in Moscow is very difficult, our main administration sent a letter to 15 ministries, whose enterprises have available 10,000 to 12,000 motor vehicles. The suggestion was simple: Each of our ministries would allocate 10 to 15 motor vehicles for providing only the subdivisions of its sector. Instead we undertook to remove the strain from the delivery of products. I will discuss only one answer from the Ministry of the Machine Tool and Tool Building Industry. We were advised that the ministry understood all these difficulties, but could do nothing. Other answers were also similar.

Why did I cite this example? Our contract represents mutual obligations of two socialist enterprises. It should include not only obligations resulting from relations concerning the delivery of products, but also envisage an expansion of the assortment, joint activity in packaging and utilization of transport, and so forth.

P. Gokhman: You suggest that industrial enterprises participate in the development of the capacities of supply and sales organizations. This means that part of the obligations should be shifted to someone else's shoulders. The problem cannot be raised in this way. We will go far in this way. It is unclear where we can take the forces and funds for this.

A. Baskin: I am ready to name the source. Today enterprises invest big resources in the development of their own warehouse facilities, because substantial stocks have accumulated at them. A small part of them has been formed, again because the level and scale of warehouse supply are insufficient. If we increase and expand them, even at such giants as ZIL stocks will be reduced and part of the funds will be released. The development of the infrastructure should become the objective of collective concern. There will be no losers in this case.

However, an increase in the volumes of warehouse supply is an important, but by no means the only, way of improving material and technical provision for production. A system of organization of deliveries, under which consumers can work almost without stocks, has already been mentioned today. In fact, in this case they are reduced to a minimum among manufacturers. At the same time, however, their increase among suppliers is inevitable. Therefore, the essence lies in efficiently redistributing stocks in the national economy and in lowering their general level.

Stocks represent a distinctive recorder of our achievements and oversights in material and technical supply. Their rate of circulation has slowed down. From my point of view, the attainment of correct proportions in the correlation of supply and demand can serve as the main lever of the solution of this problem: Supply should exceed demand.

Problems concerning the potentials of warehouse facilities and direct long-term economic relations are inseparably connected with this. To be sure, their progressive development requires planned stocks of capacities and material resources.

It is extremely important to attain a shortening of the period between the moment of occurrence of a need and its satisfaction. A large quantity of products accumulates in stocks, owing to the fact that during the formation of orders enterprises do not submit their specified need accurately. For many consumers, especially in construction, this is a real scourge. The way out of this situation is indicated in the party's program documents, which, in particular, point out the need for the development of wholesale trade. It is time to switch from arguments about the usefulness of wholesale trade to a search for specific forms and methods of its implementation and to a realistic evaluation of existing difficulties and measures to overcome them.

I would like to note especially that an improvement in supply for every consumer can be attained not by eliminating some particular shortcomings. A true solution lies in improving the system of material and technical supply as a whole, beginning from the distribution of material resources and ending with all operations of the circulation process.

L. Shor: It seems to me that, at the same time, we should not forget about enhancing the role of the contract in planning as a real factor in an increase in the efficiency of public production. A great deal has been done to place the contract in the center of economic relations. Delivery as the final result of production and the responsibility of enterprises and supply and sales organizations for contractual obligations--all this has been reflected in material incentive funds.

However, I believe that not all the possibilities for an increase in the efficiency of the contract itself have been exhausted. There is no necessary interfacing between measures realized as a result of the transfer of industry to new conditions of management and those that must be undertaken in the coordination of the contract and the production plan with due regard for concluded contracts.

A number of documents point to such a need. In 1965 appropriate decrees determined that the production plan should be formed with due regard for the portfolio of orders. Until now the formation of a portfolio of orders has meant that on the basis of production plans approved from above enterprises prepare a detailed program for the output of products according to the assortment and products list. Is this good? Yes. However, the plan itself approved from above should be based on the formed portfolio of orders. It is impossible to attain such a situation.

It seems to me that there is a certain underestimate of the problem here. Recently, the Ministry of the Machine Tool and Tool Building Industry and the Ministry of Construction, Road, and Municipal Machine Building jointly with USSR Gosnab and USSR Gosplan have adopted a decision on the formation of the production plan on the basis of direct long-term economic relations, which

make up 23 to 25 percent of the total volume of deliveries. At the same time, however, a totally different procedure of preparation of plans according to direct relations--with due regard for concluded contracts and without them--is envisaged. This is an obvious lack of interfacing! If we really establish the plan for enterprises after the conclusion of contracts, many troubles will disappear and the balance of production and its material provision will prove to be really attainable.

The procedure of formation of plans for attachment to direct long-term economic relations is another factor. The point of view that they are primarily necessary for consumers prevails in practice. However, we make a serious mistake--we do not take the capabilities of suppliers into consideration. Attachment plans drawn up according to suggestions by consumers and supply bodies in the region of consumption, in fact, cannot develop relations up to the volumes that it is desirable to attain. A great deal depends here on the subjective factors of work of the territorial administration. It seems to me that, taking the consumer's interests into consideration in an all around manner, at the same time, we are obliged to carefully analyze the capabilities of manufacturers.

Along with this it is necessary to revise and simplify the procedure of forming attachment plans for direct long-term economic relations. Only one-half of the answers to the question as to whether it was necessary to preserve direct relations previously in effect came to us from Moscow's enterprises. That is, the attitude was quite indifferent, which is due to the complexity of their establishment and instability of functioning.

I assume that many shortcomings are accounted for by what we put into the concept of "direct long-term economic relations, by what we can offer, and by the content of the contract, which partners in cooperation are to sign. We cannot, using five-year plans as a cover, annually dictate the procedure of mutual relations to suppliers and consumers--it is time to set enterprises free. Now the consumer cannot transmit anything to the supplier or help him in exchange for some specific conditions of delivery--delivery ahead of schedule or improvement in quality. The same applies to the supplier. It happens that, in order that equipment function successfully, they must objectively transfer some funds, create conditions, and so forth. However, they do not have such an opportunity. It seems that it is time to grant production enterprises and associations appropriate rights in this area.

S. Ivanov: Today many practical workers vote with two hands for the elimination of departmental bases. Unfortunately, however, it is easier to raise the problem than to solve it. But it must be solved. These kinds of attempts were made. In Dnepropetrovsk our workers clarified how many people at six plants engaged in warehouse operations and what funds were spent on this. They reached an agreement that 30 percent of the expenditures would be placed at the disposal of the supply system. Instead they guaranteed regular supply from enterprises for deliveries. They created the necessary conditions. Not a single economic manager objected. However, when the matter reached the practical realization of the proposal, it did not move off dead center.

The losses of the national economy on our products alone, owing to the fact that every enterprise has its own small warehouse, comprise up to 7 percent of the total consumption volume. This is a great deal. Therefore, it does matter to us how refractory materials are distributed--only through enterprises for deliveries.

It follows from today's discussion that departmental warehouses of industrial enterprises again form the basis for the creation of above-norm stocks. I understand A. Smirnov, when he says that in any event he tries to take more. Nor does the Statute on Deliveries hamper such a try. If resources prove to be unnecessary tomorrow, they will simply be given up. Punishment? Often it is symbolic.

A few words about exchange operations. Recently, they have been considered an almost universal remedy for all evils. However, noting positive aspects, their negative consequences are often overlooked. For what our products are not exchanged--even for mixed feed!

Under these conditions the existence of nondepartmental warehouses, which have an extensive products list at their disposal, will reduce the need for the performance of exchange operations, if not fully, to a considerable extent, and will eliminate many troubles. A guarantee will give confidence in this.

Retort: However, for this it is necessary to have such confidence.

S. Ivanov: Quite right. It will appear when enterprises will fully begin to fulfill contractual obligations. Incidentally, concerning our products the same ZIL has such confidence and has no grievances against supply. But we have grievances against it.

Different opinions on how the distribution and circulation of resources should be carried out have been expressed today. The interests of suppliers, consumers, and supply bodies have been put at the head of the list. It seems to me that a higher category should be taken as the initial position.

When one sees on television or reads in the press that metal, timber, or chemical products have not been supplied to an enterprise, but nevertheless the collective has coped with the annual plan by 20 December, a number of questions arise. First of all: Is it necessary to meet needs, without which it is possible to fulfill and overfulfill a production assignment? Doesn't this mean that stocks at warehouses are excessively large owing to overstated consumption norms and other reasons?

All this is well known. However, I would like to stress that state-wide interests should serve as a reference point.

The phrase, true, in a slightly different context and meaning, that "we can go far in this way" was heard here. However, the party directs us precisely toward this: In the sphere of planning and management of the national economy we must go very far and during the 12th Five-Year Plan ensure rates of growth of the national income exceeding the results of the 11th Five-Year Plan almost 1.5-fold. Subsequently, the curve should rise even higher.

We can go far only from the positions of national economic efficiency. It is impossible to solve fundamental supply, transport, or some other problems by means of departmental criteria.

S. Karnaukhov: An increase in the effectiveness of economic levers and incentives and intensification of cost accounting in mutual relations of all the participants in the process of circulation of industrial products are important aspects of the reorganization of the management system of material and technical supply. In practice, supply bodies should become commercial partners of associations and industrial enterprises economically responsible and interested in the attainment of good final results and in the intensification of the utilization of production resources.

In this connection the experience of the Mosgornetallosnabsbyt Association is significant. The introduction of the system of material provision with metal products based on current orders of consumers according to the arising need has a positive effect on metal utilization in the rayon and on a reduction in stocks. At the same time, the experience of the people of Moscow has also shown the shortcomings in the existing system of distribution of products according to the sectorial principle and the imperfection of the procedure of evaluation and stimulation of organizations for material and technical supply, which is attuned to work under conditions of a constant growth of the volumes of material consumption and preservation of scarcity of resources.

It seems that here it is impossible to do without a serious reorganization in the direction of the development of wholesale trade in metal products through territorial bodies and an increase in their responsibility for a guaranteed and prompt satisfaction of consumers' demand. To improve this work, a special subdivision--Soyuzglavsnabtorg--has now been established in the system of USSR Gossnab.

To be sure, under present conditions it is extremely important to raise the role and effect of enterprises and associations--consumers--on the material provision system. This will make it possible to overcome a certain inequality in economic relations between the consumer and the supply body. The supply body allocates and makes out schedule-orders for products and controls their utilization, but this is not a cost accounting sphere. Legally, equality between them seemingly exists, but economically it does not.

The development of wholesale trade can contribute to the establishment of relations based on equal rights between consumers and supply bodies. Scientific research organizations and enterprises of the Ministry of Construction, Road, and Municipal Machine Building are being transferred to this form of supply. The system of provision for work on technical retooling performed by the economic method is directed toward preventing the scattering of resources over numerous bodies. Granting enterprises--for the time being, of machine building sectors of industry alone--broad rights for an exchange of products also contributes to an improvement in the distribution mechanism.

All these measures, as well as work done in a number of rayons on relieving enterprises for deliveries of the performance of planning functions, create

prerequisites for the introduction of effective cost accounting relations, which also include the full material responsibility of territorial supply bodies for the results of activity.

At the same time, it is, apparently, necessary to define more precisely the sphere of responsibility of territorial bodies for the fulfillment of contractual obligations and, especially, with respect to transit deliveries. It turns out that the manufacturing enterprise is responsible for transit economically. Workers of territorial bodies, in cases of nonfulfillment of plans for deliveries beyond their economic regions, are deprived of part of the bonuses. Territorial bodies at the place of the consumer's location also bear similar responsibility. However, the situation, in which several links of the distribution mechanism are punished for a disruption, does not at all improve the situation. If the transit plan is not fulfilled, but warehouse deliveries are fully provided, nevertheless contractual obligations are considered not provided. Perhaps it makes sense to lower the number of people responsible for transit deliveries, but to raise the degree of responsibility, to make it real, and to put in motion economic levers of improvement in the quality of warehouse supply.

At the same time, it is not correct to raise the question of relieving territorial bodies of activity connected with transit sales of products. Such a measure is a backward step in the work of the state-wide supply system and a departure from its principles. It is necessary to search for other ways and, in particular, to seriously study the problem of giving territorial bodies functions of customers of products produced in the region of their activity, which will enable them to actively affect the loading of production with orders, to regulate interregional deliveries, and to give manufacturers real help in sales of products.

The problem of improving the practice of utilization of economic levers and incentives in the work of all-Union main administrations for supply and sales has already been raised here. Basically, administrative and legal levers are used in their mutual relations with industry. However, the contract, which has neither responsibility, nor payments, is worth little in practice.

On the other hand, all-Union main administrations for supply and sales have noncontractual cost accounting relations with territorial bodies. Essentially, however, this is intrasystem financing, which does not encompass the entire volume of products sold by all-Union main administrations for supply and sales. Furthermore, behind the volumes of deliveries and profit, which are fund forming indicators for all-Union main administrations for supply and sales, their responsibility for the quality of work is lost.

The existing system of providing consumers with products for production and technical purposes has been formed over a period of many years. Now urgent problems are being studied attentively and ways and possibilities of solving them are being sought. Many valuable proposals are received from territorial bodies, ministries, departments, and their subordinate enterprises and organizations. I assume that, by carefully weighing all the pros and cons, we will be able to solve many problems.

From the editorial department. The sphere of circulation of material resources as a whole and the state-wide system of material and technical supply in particular have a solid base for qualitatively and regularly providing consumers with products for production and technical purposes. However, potentials are by no means always fully utilized. The political report of the CPSU Central Committee to the 27th congress of the Communist Party of the Soviet Union noted that USSR Gosnab bodies must "be transformed into a flexible economic mechanism, which helps the national economy to function smoothly and steadily." The need for the further improvement in mutual relations between suppliers and consumers, intensification of the role of contracts, increase in the reliability and simplification of the procedure of transition to direct long-term economic relations, development of warehouse facilities and warehouse deliveries, changeover to wholesale trade, and concentration of forces and funds on decisive directions of economic activity was stressed in a substantiated manner in the course of the "roundtable" discussion.

It is not difficult to note that the positions of the participants in the discussion and the ways of solving problems proposed by them are dissimilar and sometimes contradictory. At the same time, they are united in the belief that state-wide interests, overcoming interdepartmental barriers, mutual assistance of different links of the socialist economic mechanism, and an extensive introduction of cost accounting and economic levers should form the basis for the reorganization.

Of course, by no means all the problems connected with production cooperation were reflected at the meeting. However, publishing the materials of the discussion, the editorial department expects that the answers of the Ministry of Machine Building for Light and Food Industry and Household Appliances, the Ministry of Instrument Making, Automation Equipment, and Control Systems, the USSR Ministry of Ferrous Metallurgy, and appropriate subdivisions of USSR Gosplan and USSR Gosnab, at which the proposals, suggestions, and criticism were directed, to the questions touched upon will be to the point. Assuming that the topics of the "round table" will attract the attention of other economic bodies, we are ready to continue the discussion.

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AGRO-ECONOMICS, POLICY, ORGANIZATION

PRIVATE PLOT SUPPLY, DEVELOPMENT PROBLEMS VIEWED

Complaints, Commentary

Moscow PRAVDA in Russian 8 Oct 86 p 3

[Article by V. Polyakov: "For a Can of Milk... to the Neighbor: USSR Gosagroprom Comments on Letters About Rural Townhouse Needs"]

[Text] Where the individual sector is viewed as a component of kolkhoz and sovkhoz production, a tangible return is obtained from it. However, some local managers do not notice the needs of rural homesteads. This hampers their development. The editorial department suggested that D. Yesipenko, member of the board of the USSR Gosagroprom, chief of the Department for Kolkhoz Affairs, reflect on such facts together with the authors of letters to PRAVDA.

"I and my husband work on the Naytopovichskiy Sovkhoz. He is a driver and I am a builder. We have four small children. Since we have personal savings, we have decided to buy a pregnant heifer this spring. We wanted to store hay for our livestock in the summer. A cow with offspring would have stood in our cattle shed in the winter.

"At first M. Astapovskiy, director of the sovkhoz, promised to help us. Later, however, he said that he would not sell a heifer from the farm.

"Our parents live in the neighboring village. They have recently acquired a cow on the kolkhoz. We take milk from them. It would be better, however, if we ourselves had a cow." (From the letter by T. Kozhemyako, Unechskiy Rayon, Bryansk Oblast).

Well said! It is not good to live in a rural area and to go to one's neighbors for a can of milk for one's family. The desire of the letter's author is commendable. Such a wish should be supported strongly so that it does not die and serves as an example to other fellow countrymen, especially young families.

I think that many people remember Mikhail Sergeyevich Gorbachev's recent talk on the same problem with Kuban's rural residents. He advised them to begin solving it more boldly. But what turns out? In Kanevskiy Rayon, Krasnodar

Kray, for example, only one out of 20 families had a cow last year. More than one-half of the homesteads in Kalinin Oblast do not keep cows.

Going back to T. Kozhemyako's letter, I would like to recall the following: Kolkhozes and sovkhozes should sell young cattle to the workers that work conscientiously on a farm. Unfortunately, some managers look for any excuses, referring to the fact that their farms have not yet attained the planned gain in livestock. Or they offer the population livestock from so-called sanitary rejects, which no head of a homestead wants to buy.

With respect to the Kozhemyako family, directors of the Naytopovichskiy Sovkhoz showed complete shortsightedness, not meeting it halfway.

"About 20 or 25 years ago every homestead in our village kept a cow, hogs, and poultry," a letter from the village of Mamonovo in Odintsovskiy Rayon, Moscow Oblast, states. "Young stock was sold at the market at a reasonable price. But now a hogling costs 70 or 80 rubles here and a heifer, more than 1,000. One has to think whether to buy them for raising or not."

This happens where farms and local agroprom bodies do not provide citizens with young stock. But they now have legal means: Every kolkhoz and sovkhoz must plan the allocation of livestock for private homesteads. The USSR Gosagroprom sets for them the task of fully meeting the population's needs. It is necessary to sell 2-month old hoglings to all those who want them. Difficulties with this do not arise on any farms. To be sure, prices are also below market prices.

I would like to recall that the state financially helps the population in the purchase of livestock. In accordance with legislation the USSR State Bank grants sizable credits to kolkhoz members, workers, and employees living in rural areas: up to 500 rubles for the purchase of a cow and up to 250 rubles, of a heifer. Credits are granted for a period of 5 years. They are widely utilized in Siberia, the Kuznetsk Basin, and Altay. However, allocating money, the state strictly sees to it that it is utilized according to purpose.

"I raise hogs. In the spring I deliver one hogling to procurement officials of consumer cooperatives. In the fall we slaughter the second, leaving part of the meat to feed the family and transfer the rest to commission trade. Frankly speaking, the profit from this is not big. But the fact that with my labor I, a pensioner, help the state in the fulfillment of the Food Program gives me satisfaction." (From the letter by Bezrukova, the city of Navashino, Gorkiy Oblast).

First of all, I would like to draw attention to the letter's address. Now in Gorkiy Oblast nearly one-fourth of the gross agricultural output is obtained from private subsidiary plots. Almost 540,000 families raise livestock in rural areas here. Local Soviet and economic bodies see to it that every homestead is a supplier of its surplus products. The letter from pensioner Bezrukova confirms this well.

"This year kolkhoz members in the village of Grabovka have raised more than 100 calves. But they have nowhere to deliver them. The Estonia Kolkhoz did

not buy them all summer. I asked chairman I. Kulin more than once to buy a calf weighing over 3 quintals from me. He dismissed me, saying: Take it wherever you like. This repeats itself year after year. Owing to this, I have no desire to keep livestock." (From the letter by I. Sleznyy, Kulikovskiy Rayon, Chernigov Oblast).

Measures have now been taken with respect to this letter. The Estonia Kolkhoz has bought a calf from I. Sleznyy. Young stock has also been bought from other kolkhoz members. The complaint has spurred on farm managers. Previously, they, in fact, created red tape. On the pretext of reconstruction of livestock barns carried out in the summer they did not buy much livestock from private plots. They intended to do this later, in the fall, in order not to have any trouble. They did not promptly establish relations with cooperative workers, although close cooperation was necessary: The cause was common and the profit, mutual. In brief, the purchase mechanism does not yet operate at full force. The RAPO council has something to ponder over: It is necessary to most carefully check how contracts for the raising and purchase of livestock are concluded with the population. This is not a whim on the managers' part. If they manifest a lack of discipline and do not fulfill the adopted obligations, it means that they disrupt a matter of state importance. This is intolerable.

"I have a cow. I obtain offspring from it. I raise calves and deliver them to the meat combine to be credited to the plan of the Semenovskoye Sovkhoz, although I do not work here. Last year the calf was big. This year I delivered a heifer weighing 367 kg. The meat combine pays a sizable sum to the sovkhoz, but I receive less money. It would not be harmful if it helped me. It sells mixed feed, but I myself look for transport. I am distressed, because my labor is valued so little." (From the letter by M. Selivanova, Mozhayskiy Rayon, Moscow Oblast).

Mariya Yakovlevna Selivanova performs a serious and noble act, delivering livestock of a higher degree of fatness to the state. However, I would like to clarify that, nevertheless, it is accepted strictly at current purchase prices. I don't know whether M. Selivanova has concluded a contract with the Semenovskoye Sovkhoz. It should provide the help that citizens need in the management of a private homestead.

"I worked on the Ives Sovkhoz before I retired. I am a war and labor veteran. I believe that I have earned the right to get help in the management of my private subsidiary plot. However, I am given an assignment to procure green fodder for public animal husbandry and to grow sugar beets. Because of my age I am no longer able to participate in this work. However, since I have a cow, I deliver milk to the state. F. Zhavoronok, brigade leader of the production section No 1, does not allocate hay and does not assign plots for mowing. I can obtain neither transport, nor a horse, from him." (From the letter by N. Radyush, Glubokskiy Rayon, Vitebsk Oblast).

Having read the letter, I could not but help being indignant at the position, in which this distinguished person was put. Yes, on most kolkhozes and sovkhozes hayfields, feed, and services are allocated in direct proportion to the contribution to public production, or for participation in feed

procurement for livestock sections. This principle is correct. It stimulates everyone to work conscientiously. Other rural residents are also drawn into common concerns.

On the other hand, population not working at livestock sections, or in the field, as well as pensioners, can conclude more contracts with farms for livestock and poultry raising and for the delivery of products to the state. It is necessary to more actively offer them such cooperation and to convince them of its mutual benefit. What is it? The person signing a contract has the right to demand the sale of mixed feed from the farm if this condition is stipulated in advance. Some farms in Belorussia, planning feed production, also take the needs of rural homesteads into consideration. It is necessary to more fully utilize the areas of private land plots.

PRAVDA's mail indicates that as yet not everything proceeds smoothly in the development of private subsidiary plots. However, as the saying goes, if only there were a homestead in every rural home! There are possibilities of providing assistance to it--they are increasing to an ever greater extent.

Needs in Kazakhstan

Alma-Ata NARODNOYE KHOZYAYSTVO KAZAKHSTANA in Russian No 9, Sep 86 pp 56-58

[Article by A. Budyanskaya, docent at the Alma-Ata Institute of the National Economy: "Urgent Needs of Private Plots"]

[Text] To realize the Food Program, it is necessary to maximally utilize the capabilities of large socialist enterprises. At the same time, it is also necessary to develop in the maximum possible way other forms of the production of food products--subsidiary plots of plants, factories, organizations, and institutions and private subsidiary plots of kolkhoz members, workers, and employees.

The political report to the 27th Party Congress noted that with due regard for workers' suggestions the state has embarked on an extensive development of collective horticulture and gardening. Now it is necessary to continue this work with greater energy and to provide all-around help to horticulturists and gardeners on the part of enterprises, associations, kolkhozes, sovkhozes, ministries, and departments. After all, private homesteads are some of the links of agrarian production making a substantial contribution to the satisfaction of the needs of the country's internal market for high-quality products.

It is not accidental that a number of directive documents on ways of developing private subsidiary plots and on measures aimed at involving as many workers--both rural and city residents--as possible in this useful endeavor have been adopted in recent years.

The results have already had an effect. Throughout the country in 1985 the cattle stock at peasant homesteads increased by 1.5 million head and the hog stock, by the same number. Almost every rural homestead has sheep, chickens, ducks, and other poultry.

The young generation of rural dwellers now leave their parental homes less frequently and their primordial peasant instincts "work" in favor of their land, their homes, and their homesteads, which require daily care.

If the potentials of citizens' private plots are utilized more extensively and if the necessary assistance is given to them, it will become possible to annually purchase up to 170,000 tons of meat, up to 300,000 tons of milk, and many other products from the republic's population. Such are the calculations of specialists. They are realistic.

For example, in Kokchetav Oblast rayon executive committees, rural soviets, sovkhoz directors, and kolkhoz chairmen carry out overall purposeful work among the population on the expansion and development of private homesteads.

They back agitation by action: They sell young livestock and poultry, help with feed, and allocate hayfields. The results are on hand: Inhabitants of Voronovskiy, Zelenoborskiy, Vedenovskiy, and Pervomayskiy sovkhozes in Shchuchinskij Rayon not only provide themselves and their families with locally produced food products, but also supply them to public dining enterprises and deliver them to the state. In 10 years purchases of meat from the rayon's population increased threefold, of milk, eightfold, and of eggs, more than twice as compared with 1975.

Here is another example: On the Sovkhoz imeni Karl Marx in Semipalatinsk Oblast, on the average, every family has one cow, five or six sheep, and several hogs. From every homestead the state annually obtains an average of 290 to 330 kg of milk, 60 to 70 kg of meat, and 3 to 5 kg of wool, as well as hides. Last year rural dwellers living in Zhanalykskiy Rayon in this oblast delivered 80 kg of meat and, in addition, 267 kg of milk and 11 kg of butter from every homestead to procurement organizations.

Obviously, however, such examples are not yet quite sufficient throughout the republic. It happens that there is both superfluous poultry at a homestead and the vegetable harvest in the garden is a cause of joy--one can share it with the native kolkhoz or sovkhoz, or deliver it to consumer cooperatives, but... good impulses come up against bureaucratic fences.

Shortcomings in the organization of food products from the population are well known. They include a lack of machines and containers, "independence" of procurement officials when setting prices of products, and a poor provision of deliverers with the necessary goods.

For example, trade offers scarce, but expensive, clothing and footwear (even of the Adidas Firm) to especially active deliverers of milk, meat, eggs, and other products. But the rural dweller does not desperately need the most fashionable sneakers, or stunning T-shirts. He needs tires for cars, or spare parts for motorcycles. Instead of an elegant bright dress, or a velour coat, he would be extremely glad to get practical clothing from natural raw materials and, instead of fashionable footwear made from some small straps, footwear suitable for living conditions in rural areas...

Before forming the assortment of countergoods, the Kazakh Union of Consumer Cooperatives and its scientific research subdivisions should at least ask deliverers of agricultural products what they need primarily. After all, these are the rudiments of trade.

To manage a private plot is labor intensive work. It is connected with the cultivation of soil for potatoes and vegetable crops and with feed procurement. According to research data, only one-half of the rural families, which have gardens, receive technical assistance from sovkhozes and kolkhozes during land cultivation and feed procurement.

By no means all farms allocate land for hay procurement to their workers, not to mention help with grain waste and coarse feed. True, mixed feed is sold in the trade network, but obviously not enough. Therefore, in localities it is necessary to search for and find ways of providing more effective help to owners of private homesteads.

Many of the problems of horticulturists and gardeners are connected with the purchase of special implements, mineral fertilizers, and plant protection agents. These problems can be solved within a republic, an oblast, and sometimes even a rayon.

In 1985 a total of 55 industrial enterprises in Kazakhstan produced products, which horticulturists and gardeners needed, worth 5.5 million rubles. The matter seemingly progressed: As compared with 1981, the volume of this output doubled, the increase totaling 2.5 million rubles. Nevertheless, only 60 percent of the population's need for improvised means for work in the orchard and garden is now met.

On the average, such means per family with a private subsidiary plot, which is engaged in horticulture and gardening, produced in the republic are worth only 1 ruble 83 kopecks. At the same time, the cost of an ordinary set consisting of the simplest manual tools, implements, fertilizers, and other components is 150 to 170 rubles. If electric sprayers, electric pumps, and some other mechanisms are added to this set, the sum jumps up so high that the horticulturist will think twice whether to buy them or not. Suddenly, a pump will have to be repaired more than once--it is not a watering can...

He no longer dreams about a minitractor, because then his mechanical helpers will cost him 1,000 rubles. He will not want to have his own strawberries--it is cheaper to buy them at the market...

Thirty enterprises of Union subordination, five enterprises of the republic Ministry of Highways, six enterprises of the Kazakh SSR Ministry of Motor Transport, six enterprises of the former Agricultural Equipment Association, and eight enterprises of other departments now produce implements of labor for private subsidiary plots in the republic. Basically, all of them produce 24 out of 50 types of the simplest tools and implements needed on farms.

Enterprises have no interest in these "secondary" products. They have no desire to develop high-quality, inexpensive, fundamentally new articles. Choppers, shovels, rakes, hoes, and rippers differ from each other only in

their labels with addresses of manufacturing enterprises. However, the quality of most implements is equally bad. Trade rejects from 30 to 90 percent of these products produced in the republic.

Out of the checked 27,700 metal shovels (of the Ural Plant imeni Voroshilov) rejects comprised 94.5 percent; 78.8 percent of the 13,700 rakes (of the Semipalatinsk Gas Equipment Plant) did not meet standard requirements. All the 640 produced sprayers (of the Dzhambul Kommunmash Plant) were also rejected.

For all that trade is not hard to please. On the contrary, it tries to make a compromise. In order that counters are not completely empty, it is forced to take articles known to be worthless; for example, such as AN-2K gasoline pumps (of the Petropavlovsk Low-Powered Engine Plant).

The demand for them is limited owing to their low quality and high price. Trade enterprises need 45,000 gasoline pumps. They buy only 17,000 to 18,000 Petropavlovsk pumps, but they too accumulate as dead weight at wholesale bases. The customer does not take them. It has been suggested more than once that the plant set up the production of more reliable and less expensive gasoline pumps. However, the plant has not reacted to this very timely suggestion.

All-Union exhibitions of orchard and garden tools are held in Moscow regularly. Here experts in horticulture and gardening demonstrate with pride shovels, hoes, and forks, which were made during the last century, but in 100 years did not lose their excellent qualities, that is, lightness, strength, and anticorrosion and cutting properties.

And what about present products? Have our contemporaries forgotten completely how to make excellent tools? Of course, not. For example, the Karagandaugol Production Association manufactured the LKO GOST [All-Union State Standard] 3620-76 digger shovel from high-strength steel (of basic production waste). Trade organizations and customers admit that its consumer properties are higher than those of shovels manufactured by the Pavlodar Spetsinstrument Plant and the Alma-Ata Road Sign Plant. However, these are individual examples. The quality of articles remains problem No 1.

As the all-Union review of the quality and technical and esthetic level of implements of labor for private subsidiary farms has shown, many enterprises in our republic have not yet been restructured. As a result, 86 articles of 10 types have been rejected owing to their noncorrespondence to standard requirements and specifications, design shortcomings, and a low quality as a whole.

Here is the other side of the coin. For this year consumer cooperative and state trade organizations have not succeeded in placing at republic enterprises claims and orders for such very simple articles as forks, scythes, sickles, garden watering cans, pruning shears, tree trimmers, budding knives, and technically complex articles--electric pumps, electric sprayers, juicers, minitractors, electric cultivators, motor units, and many other items.

Carbophos [a Malathion insecticide], nitrophen, ground sulfur, and garden resin, without which it is impossible to attain a good harvest and a high quality of grown products, continue to remain scarce. Over a period of 10 years the Kazkhoztorg republic office has not been able to solve the problem of organization of tobacco dust production at agroprom enterprises.

As a result, Kazakhstan continues to import these goods from other republics. Much of the waste of its production is not utilized for the output of products needed by people. How not to remember here M. S. Gorbachev's words uttered by him from the tribune of the party congress: "Is it reasonable to destroy or dump what can be useful in housekeeping and in the construction of housing, garages, and small orchard and garden houses?"

A resource saving economy requires the utilization of all local potentials. There are no trifles here. Let design and technological thought give articles needed by thousands of people--thoughtful managers helping us all to fulfill the Food Program--to production.

A head design office, whose functions include the coordination of the assortment and volume of output of individual articles in the country, control of the quality of goods produced by enterprises of various ministries and departments, and pursuance of technical policy, exists in Pavlovo-on-Oka in Gorkiy Oblast. Exhibitions of innovations for private homesteads are annually held here and those who so desire are provided with technical documents.

Perhaps the people of Kazakhstan, within whose competence problems raised in this article lie, have reason to visit the people of Gorkiy Oblast, to learn from them, and to turn their experience into action?

And last: about the organization of centers for the rental of small-scale mechanization equipment and its technical servicing.

The high price of articles and the small seasonal volume of work in an orchard or a garden do not at all stimulate the purchase of expensive machines. However, centers for the rental of machines and mechanisms and, moreover, close to orchard-garden and private plots, would help people very much. This is a purely organizational, but profitable, matter both for them and for the state. In our opinion, the rental system should be developed most energetically.

Summing up the above-stated, I would like to state briefly: For its further development the private subsidiary plot requires an overall approach. The republic's gosagroprom should place the accomplishment of this task under its aegis. After all, the private subsidiary plot is a very important, not "superfluous," link in the realization of the country's Food Program.

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AGRO-ECONOMICS, POLICY, ORGANIZATION

MURAKHOVSKIY EXPOUNDS ON ROLE OF 'KUBAN' EXPERIMENT

Moscow PRAVDA in Russian 13 Oct 86 p 2

[Interview with V. S. Murakhovskiy, first deputy chairman of the USSR Council of Ministers, chairman of the USSR Gosagroprom, by A. Platoshkin: "'Kuban,' 'Moskva,' and Others"; date and place not specified]

[Text] During his trip throughout Krasnodar and Stavropol krays M. S. Gorbachev, general secretary of the CPSU Central Committee, visited the Kuban Agro-Industrial Combine established in Timashevskiy Rayon. It succeeded in combining the economic interests of all partners for the sake of an increase in the production of products and improvement in their quality.

Recently the Politburo of the CPSU Central Committee has noted the positive results of work at the Kuban Combine and approved the proposal on the establishment of another 14 such combines.

In connection with this the editorial department has asked V. S. Murakhovskiy, first deputy chairman of the USSR Council of Ministers, chairman of the USSR Gosagroprom: What is the essence of the experiment? What is its role in the fulfillment of the Food Program and in the strengthening of the links of the agro-industrial complex? What are the prospects for the development of this innovation?

[Answer] As noted in the decree of the Politburo of the CPSU Central Committee, an increase in the output of agricultural products and of high-quality foodstuffs with the utilization of modern equipment and technology and the performance of the entire set of operations connected with production, procurement, processing, and sale on the basis of cost accounting and self-support are the main tasks of these types of enterprises.

The point is that the restructuring and improvement of the economic mechanism of management in the APK have not been completed. A persistent search and a check of the methods and practice of management are going on. Combines are the most important objects of such a search. The essence of the experiment of

"Kuban," "Moskva," and "Ramenskiy" is that they have better conditions for economic activity, development of initiative and enterprise, and combination of production, processing, and trade.

Combines show methods of improving commodity-money relationships--relationships regulated by the state--on a socialist basis.

The path of products from fields and livestock sections without transshipments and intermediary links accelerates their arrival at stores and improves their quality. Consumer demand becomes the main regulator of the production volume. When the place for a combine is selected, the economy of the farms forming part of it and the availability of service and processing enterprises, labor resources, and a road network are taken into consideration.

Such production formations are established in order to more fully meet the needs of the region, where they are located, for various types of foodstuffs. Let us take the same "Moskva," "Ramenskiy," and "Kuban." They are called upon to deliver foodstuffs to the population of the capital, of the health-resort city of Sochi, and of other sanatoriums on the Black Sea coast in the Caucasus. Other combines are being established for the same purpose.

[Question] Can you cite examples?

[Answer] "Tosnenskiy" will begin to supply its products to Leningrad and neighboring rayons, "Donbass," to miners' Donetsk, "Ural," to Sverdlovsk, "Anninskiy," to Voronezh, "Nikopolskiy," to Nikopol, "Zapadnyy Bug," to Brest and adjacent cities, "Kavkaz," to the health-resort zone of mineral water, and so forth. Appropriate statutes on agro-industrial combines, wage and bonus conditions, and other normative documents will be worked out and approved.

[Question] Vsevolod Serafimovich, how many such enterprises will be established over a long-term period?

[Answer] It is not a matter of numbers. Now it is important to carry out their extensive production check in the country's various zones. A closer combination of the production, procurement, processing, and sale of products will help to more rapidly adjust problems of integration, cost accounting, self-support, and self-financing. This experiment is necessary, first of all, for RAPO. The work of associations will have to be improved on its basis.

[Question] However, even now RAPO have considerable rights and opportunities.

[Answer] Nevertheless, combines have more. This helps them to better utilize potentials and opportunities and to more flexibly manage the production and sale of products.

For example, the Kuban Combine and others, along with services of the agroprom system, include state trade and public dining, light industry, and motor transport enterprises. Combines independently establish production, procurement, and construction subdivisions.

Purchase volumes are not established for them. After the fulfillment of obligations concerning deliveries to all-Union and republic stocks they themselves dispose of all the remaining products. They sell them directly, without intermediaries, establishing their own trade network for this. They also determine the prices themselves.

On the basis of its resources the combine plans the volumes of capital investments. The combine council approves title lists for the construction of projects at an estimated cost of 1 to 4 million rubles. The combination of resources makes it possible to build large projects at a high technical level, taking the needs and interests of the entire combine into consideration. For example, during the current five-year plan "Kuban" will utilize almost 600 million rubles of capital investments. At the same time, about one-half of them are allocated for the reconstruction and retooling of existing enterprises. Out of this sum more than 120 million rubles are utilized for the construction of housing and social, cultural, and every-day projects.

Material and technical supply for and provision of construction projects with complete sets of equipment are organized on new principles at combines. Allocations are not assigned here "from above." Farms receive them in accordance with their orders. Now they do not need to acquire spare parts, building materials, and other resources for future use, freezing monetary assets and thereby narrowing the possibilities of expanded reproduction. A systematic transition to nonallocation material and technical supply is dictated by life.

The combine also has its own financial settlement center. It acts as the only authority for all monetary obligations before the State Bank.

[Question] For managers relations with the bank are the sorest subject. Therefore, many, apparently, are especially interested in the work of the financial settlement center. Can you discuss it at greater length?

[Answer] The center concentrates the free funds of the enterprises and organizations forming part of the combine. Settlements of accounts among subdivisions, extension of credit, payments to the budget, and financing of capital construction are simplified. This makes it possible to maneuver free resources and to help lagging subdivisions through the use of internal resources.

The experiment in the establishment of such a center at "Kuban" has shown that the need for short-term State Bank loans has been reduced from 51 to 21 million rubles. More than 700,000 rubles have been saved on interest payments in 1 year alone. Now there are no cases of a late return of funds and delays in settlements of payments to the budget. Thus, this center makes it possible to better organize the combine's financial activity and to more efficiently utilize the possibilities of monetary circulation. Of course, it will be necessary to improve the work of such centers and to lower the cost of their services. Both personnel and modern computer hardware are needed for this.

[Question] What are the relations between combines and citizens' private subsidiary farms?

[Answer] The strongest. The policy of a full integration has also been followed here. Its ways and methods take local conditions and characteristics into consideration. The goal is one: people's interest. Incentive forms are also different; first of all, the conclusion of contracts for the delivery of meat, milk, fruits, and vegetables with the population, a countersale of young livestock, poultry, and mixed feed, and improvement in the acceptance of products and monetary settlements.

[Question] Perhaps you can give a more detailed description of the work of one of the combines?

[Answer] Let us take the same "Kuban" as an example. Both its experience is significant and its unsolved problems are clear-cut.

What is "Kuban" today? It includes 56 enterprises, which have been given independence, but which have common concerns. It has its own trade network, a construction trust, a planning institute, "Agrosnab," and other services. The combine produces, processes, and sells products. Before its establishment every partner tried to obtain its maximum benefit, often in detriment to another, primarily agricultural, enterprise. Volumes of services grew in an especially rapid manner. One may say that common interest has broken down departmental barriers. Let us take the same major repairs. Their volumes have been reduced sharply. For example, they have now been reduced by 400,000 rubles. Machines operate more reliably in the field.

The processing base was shaky. Canning plants and tea factories lagged in their development. With the combine's establishment shops for the processing of meat, fish, vegetables, fruits, berries, and tea have been reconstructed in a short time. Three bakeries have been built. This has made it possible to master the output of 60 types of new products. Let us take the same tea. The combine has spent less than 1 million rubles on the retooling of factories, increasing them 1.5-fold. Instead of losses it has obtained 1.5 million rubles of annual profit.

In recent years it has turned out that kolkhozes and sovkhozes have engaged only in the production of products, not showing concern for sales and not taking the necessary measures to improve their quality. The new economic mechanism stimulates them to trade more efficiently. Essentially, as noted at the 27th CPSU Congress, it is a matter of a creative utilization of Lenin's idea of tax in kind as applied to new conditions. However, even now many farms take out fruit, vegetable, and other perishable products to markets timidly, under great pressure. Some even manage to trade at a loss.

There is another situation at agricultural combines. Here every farm, livestock section, and contract collective fights for an improvement in the quality of its products. As a result, as compared with past years, the production of highly valuable wheat has increased considerably in Timashevskiy Rayon. For its quality alone this fall the combine has additionally obtained 3.5 million rubles. The weight standards of livestock have risen and 93 percent of the milk sold is first grade. The assortment of fruit and vegetable products is being improved with due regard for the needs of the

market and of canning plants. Orchards, vineyards, and berry patches are being reconstructed for the same purposes.

Under the combine's conditions production organization is more closely connected with trade. In addition to the state and cooperatives it sells its products through its own trade network and at the kolkhoz market. During 8 months of the current year the volume of retail trade turnover has tripled as compared with the corresponding period of last year. Many hundreds of thousands of rubles of profit have been obtained from this activity.

A total of 23 stores and public dining enterprises have been opened in cities on the Black Sea coast and in industrial centers. The firm sign of the APK is becoming popular with the local population and vacationers.

Or let us take the Iskra Kolkhoz, which forms part of the combine. The yield of grain crops on it is 56 quintals. Here there is a complex, where a brigade of four operators services more than 500 cows. Output per operator is about 400 tons of milk. Livestock breeders have modern mechanization. A great deal is being done to improve working and living conditions. The economic conditions, under which "Iskra" as a subdivision of "Kuban" has been placed, force it to systematically follow the policy of intensification. Cost accounting, the contract, including the family contract, and the transition to wages from gross income to final results actively contribute to an increase in production efficiency both on "Iskra" and at other "Kuban" subdivisions.

Last year "Kuban" obtained 70 million rubles of profit. At the same time, the level of profitability on kolkhozes and sovkhozes and at interfarm enterprises reached 37 percent.

Here are this year's preliminary results. The yield of grain crops is 51.2 quintals, which is 9.3 quintals more than the average yield in the kray. With a plan of 124,000 tons 129,300 tons of grain, including 98,000 tons of strong wheat, have been sold to the state. The indicators in animal husbandry are also not bad.

The rates of growth of production volumes, as compared with last year, make up 7.3 percent and labor productivity has increased by 6.9 percent.

[Question] Most likely, time has also clarified the unsolved problems of "Kuban" and other formations of this type...

[Answer] Arable land, livestock sections, and potentials for an increase in the production of products are not yet utilized fully. A great deal will still have to be done to improve the assortment and quality of products. The regularity of deliveries is a special problem.

Participants in the meeting, which M. S. Gorbachev held with the party and economic aktiv of the Kuban Combine, mentioned these and other problems. The search is going on in many directions.

The experiment expands the limits of independence and enterprise. I should like to mention once again that, along with an improvement in management, a

direct outlet to markets is the chief thing here. The organization of such trade is not simple. As is well known, in our country in a number of cases retail prices are lower than purchase prices. They can also be higher here, otherwise the combine will not be able to operate profitably. At the same time, the sale of products at higher prices without an improvement in quality will not be popular with customers. One must also take care of packaging and an attractive commodity appearance. It is necessary to build plants and to raise labor productivity. It is important to increase efficiency not only through the price, but primarily by lowering production costs. In order that their quality may be better, combine workers go out to farms, become interested in livestock keeping and fattening technology, and organize the centralized delivery of livestock. The fact that suppliers of raw materials obtain part of the proceeds of processing enterprises is also important for success. The sugar plant settles accounts with them according to the final product--output of sugar per ton of sugar beets.

[Question] Most likely, the changes have also touched upon the structure of management and the selection and disposition of personnel?

[Answer] This is perhaps the key problem. Their efficient activity depends in large measure on those that head combines. Competent people full of initiative, who combine practical experience with the knowledge of theoretical principles of the economy, management, and organization, are sent here. For example, M. Lomach, director general of "Kuban," was chief of the kray administration of agriculture. Ye. Rychin, director general of "Moskva," and other managers have many-sided experience in economic activity.

The structure of the administrative machinery should also be mobile and flexible. Leading subdivisions are established on the basis of the consideration of an overall approach to this matter. For example, there are departments for the production and processing of livestock products. The same is also in plant growing.

The combine's council headed by the director general is its supreme body. It includes managers of enterprises and organizations. A council presidium has been established for operational management. The combination of economic, administrative, and democratic principles contributes to an expansion of the economic independence and initiative of managers and specialists and increases their responsibility for final results.

In general, combines have big opportunities and good prospects.

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REGIONAL DEVELOPMENT

NEED FOR IMPROVEMENT IN TURKMEN APK INTERBRANCH RELATIONS

Ashkhabad TURKMENSKAYA ISKRA in Russian 11 Oct 86 p 2

Article by D. Bayramov, Doctor of Economic Sciences and director of the Scientific Research Institute With a Computer Center of Gosplan for the Turkmen SSR; Ye. Rutgazyer, Candidate of Technical Sciences and head of a department for forecasting development of the agro-industrial complex; S. Artykov, head of a sector for intensification of branches of industry: "Improvements in Interbranch Relations"

Text Success in the economic development of the APK /agro-industrial complex/, the task of which is to satisfy the population's requirements for food products and the raw material requirements of enterprises, is dependent upon effective work being performed by the branches. The five-year plans call for an increase in the production of cotton fiber, vegetables, melon crops, meat, milk, eggs, wool and feed.

A typical feature of the present five-year plan is leading rates of growth for food products. The republic's APK /agro-industrial complex/ is acquiring the stable features of a large-scale production system. By the end of the five-year plan, the per capita consumption of the principal food products will reach or surpass the level called for in the Food Program. The population's requirements for vegetables and melon crops will be satisfied in conformity with rational norms. At the same time, it will not be possible to satisfy completely the requirements for meat, milk, eggs and potatoes. Nevertheless, an increase will take place in the role played by local raw materials in the industrial processing of meat and milk. Some improvements will be noted in the work of supplying the population with dairy products, sausage items and semi-finished meat products.

The rates of development for the APK as a complete system are still inadequate. The growth in industrially produced food products is considerably lower than that for products which are consumed without processing. This is explained by a number of factors. For a long period of time, the branches included in the APK developed on the basis of programs which did not fully take into account the local conditions or the peculiarities involved in production or in the development of allied branches. And indeed, as we have already stated, effectiveness in development of the APK as a multiple branch system is dependent

to a considerable degree upon finding solutions for the interbranch problems. First of all, the production volumes and structure and the public requirements must be brought into conformity with one another.

It is known that the social needs are formed on the basis of physiological requirements and regional norms. The work of all branches of the APK must be subordinated to this idea. However, their development is oriented towards the production of the most profitable products and thus the proper nomenclature and assortment of goods are not always observed. The work of the branches is still being evaluated on a "gross" basis, with the interests of the population being relegated to secondary status. Moreover, a portion of the output never reaches the consumer. We are losing more fruit and vegetables than the average for the country.

The solutions for these problems require a strengthening of the economic methods for planning and administration, improvements in investment policies and an increase in the stimulating role played by the financial-credit mechanism in the production and economic activities of the APK. This will promote close interaction among the branches in the production of farm and field products on a mutually advantageous basis.

Full use is still not being made of the capabilities of the APK owing to a lack of balance in the development of many branches. A considerable number of APK enterprises are producing products which are being shipped beyond the borders of the republic for secondary processing -- cotton fiber, raw silk, karakul and plant oil. They account for approximately three fourths of the value of all products being produced within the APK. Our production of final products is weakly developed mainly owing to specialization in the primary processing of raw materials. As a result, the principal bulk of the primary raw materials is processed in other regions of the country, from which points a considerable portion of the final product is again returned to Turkmenistan. Such a production structure does not reflect sufficiently effectively the developing flexible and dynamic structure of the requirements for the republic's population.

The way to solve these problems is by reorganization of the branch production efforts while bearing in mind the need for drawing together to the maximum possible degree the social requirements and the final products of production. The question concerning optimum shipping proportions for the products of primary processing and intended for consumption and the production of final products at enterprises throughout the republic requires thorough validation, since it has a decisive effect on the strategy for developing the APK branches.

It bears mentioning that it is not always possible in the APK branches to achieve a good balance in production operations. The chief causes of branch weakness -- large dispersal of dairy industry enterprises and insufficient raw materials. For example, the production capabilities for the production of whole milk products are being utilized to only 60-65 percent. This is explained for the most part by a shortage of refrigeration units on the farms, specialized transport vehicles for centralized shipments and so forth. It is by no means an accident that, despite a far-flung network of milk receiving points, a large portion of the milk is being processed for butter. The proteins and lactose remain in the defatted milk, buttermilk and whey and only one third of the dry

substances is converted into finished product. Use is made of less than 40 percent of the proteins and lactose.

Ideally, there should be a decrease in the production of butter and an increase in the production of whole milk products. This will require improvements in the transport-procurement network of the dairy industry and the creation on the farms of acceptance complexes with modern laboratory-measurement equipment and refrigeration units.

Great importance will be attached to raising the interest of kolkhozes and sovkhozes in their final results and particularly in increasing the production of whole milk products. The chief criterion for evaluating the quality of milk is not its protein content but rather its fat content and this is restraining the use of modern methods for the preliminary processing of milk on the farms.

An important reserve for increasing the production of whole milk products is that of utilizing nutritious secondary resources. At the present time, more than 80 percent of these resources are being returned to the farms and yet only a negligible portion is being processed. A reduction in the proportion of skimmed milk and buttermilk being returned to the farms will make it possible to produce whole milk non-fat products from them, the production of which increased somewhat during the past five-year plan. Today its proportion is not very high. In many union republics, the production of goods having a raised fat content is increasing.

There are also other examples of ineffective interaction among branches engaged in the production and processing of agricultural products. As a result of a breakdown in the delivery schedules for raw materials and a lack of simple types of equipment required for primary processing and also modern acceptance-sorting points, use is being made of only 60-70 percent of the capabilities of the fruit and vegetable and canning plants. The production structure for vegetables is such that the plants are not being supplied with them on a regular basis. Nevertheless, even with a limited assortment of raw materials, more than four fifths of the output consists of tomato paste and only a small portion is used for other vegetable and fruit canned goods.

The fruit and vegetable industry is in need of radical modernization. Here a large role can be played by improvements in the technological processing of vegetables and fruit and preliminary cooling of them under field conditions at mobile complexes, which serve to reduce losses by a factor of 2-3, containerization of shipments and so forth.

However, a chief consideration is the need for improving the financial-economic mechanism, which regulates the production relationships between the canning plants and the kolkhozes and sovkhozes that supply the raw materials. Here we have in mind the introduction of cost accounting procedures. The principal expenditures for the production of canned goods are borne by agriculture, with a large portion of the profit realized from the sale of these goods going to the enterprises. Thus it is more profitable for the kolkhozes and sovkhozes to sell their fruit and vegetables in fresh form, rather than delivering them to plants for processing. The farms may display interest if the profit is distributed among those participating in the production cycle.

Small shops and plants for the processing of vegetables and fruit should ideally be created at kolkhozes. However, distinct from state farms, they are not compensated for the difference in the cost of the raw materials and thus quite often the production of canned goods is often unprofitable or of low profitability.

The decree of the CPSU Central Committee and the USSR Council of Ministers entitled "Further Improvements in the Economic Mechanism for Management in the Country's Agro-industrial Complex" is opening up great opportunities for improving production activities. Improvements in the mechanism for the formation and distribution of centralized funds within the APK and the creation of conditions for stimulating kolkhoz subsidiary enterprises, similar to state canning plants, may bring about a basic change in the structure of the entire fruit and vegetable canning industry and increase substantially the number of processing plants in the zones where the raw materials are located.

Incentive prices for canned goods, jams and juices sold in food stores could stimulate the development of kolkhoz shops. In such a case, the kolkhozes would display greater interest in producing finished products and reductions would take place in shipments and losses. Processing shops could be built quite rapidly using resources of the kolkhozes.

Similar problems are occurring in other branches of the APK engaged in the processing of agricultural products -- meat, cotton ginning, butter and fat and others.

The existing branch structure of the APK is not satisfying completely the requirements of the territorial organization for the production of food products. Its shortcomings are the result of incomplete utilization of the potential available for intense specialization and all-round development of the APK. The proportion of the meat, dairy and fish branches expected to play an important role in satisfying the population's requirements still remains low. This group of branches constitutes the greatest bottleneck in the APK and their proportion of the overall food output is only 3.5 percent.

All of this is restraining the formation of a stable food base. A lack of balance in the development of the branches of the processing industry and agriculture has produced a situation wherein the fixed productive capital in many branches of the APK has been frozen. Considerable additional output could be obtained through their complete utilization and without capital investments.

Considering the present rates for the development of capital investments and the weak production base of construction organizations, a considerable amount of time is needed for eliminating the disproportions and for solving the problems which are holding back the development of the APK.

Moreover, a need exists at the present time for a radical change in the structure of capital investments and also for a substantial expansion of the production base, in order to ensure that resources will be concentrated in the more important areas concerned with the development of the APK. This will promote balanced and proportional development for the branches of the agro-industrial complex during forthcoming five-year plans. When planning the development of the APK as a single economic complex, a high return from resources and the creation of conditions for effective and stable production of goods can be expected.

LIVESTOCK AND FEED PROCUREMENT

SOYBEAN USE FOR FEED QUALITY ENHANCEMENT IN FAR EAST

Omsk ZEMLYA SIBIRSKAYA, DALNEVOSTOCHNAYA in Russian No 6, Jun 86 pp 19-21

Article by G.T. Kazmin, director of Far Eastern Scientific Research Institute of Agriculture, VASKhNIL Academician V.I. Gorbatyuk, director of the Vostochnoye Experimental Model Farm of the Far Eastern Scientific Research Institute of Agriculture and Candidate of Agricultural Sciences: "It Has No Equal"

Taxi The farmers on farms in the Far East, where extensive use is made of soybeans for cattle feed, believe that this crop has no equal among pulse and grain crops in terms of its protein, fat, carbohydrate, mineral salt and vitamin content in all parts of plants.

Owing to the low quality of feed and its protein balance, from 160 to 180 feed units are presently being expended on farms in our zone for 1 quintal of milk -- 30-50 percent higher than the norms called for and for the production of 1 quintal of beef -- up to 1,150-1,550 compared to a norm of 900 feed units. Moreover, the ratio of individual types of feeds in the overall structure by no means conforms to the scientifically sound norms; up to 50 percent of the nutritional value of a ration is covered by concentrated feeds. In addition to causing a waste of state resources, this is also inflicting harm upon livestock husbandry.

In regions of the Far East, the problem concerned with improving the quality of feed and mainly the feed protein balance is being solved through the use of soybeans in pure form for grain and fodder, in various mixed, direct, repeated and post-cutting sowings with cereal grain and forage crops. Among pulse and grain crops, soybean has no equal in terms of its content of principal nutritional components in all parts of its plants. From an average yield of 15 quintals per hectare, it is possible to obtain 600 kilograms of protein and up to 300 kilograms of fat, from an expenditure of 70-80 rubles for raising the raw materials required -- less than 5 kopecks for 1 kilogram. In order to obtain these products in the meat of cattle, 10-12 year-old young bulls are required. Not less than 10 tons of concentrates -- the yield from 6-7 hectares of grain crops -- are needed for their fattening.

Soybean protein occupies first place among the plant proteins. It dissolves well in water (60-80 percent) and its amino acids are assimilated 90 percent by an organism. Great value is attached to soybeans not only because of its

high protein content but also owing to its diverse amino acid structure (see Table 1). Soybean protein contains all of the principal irreplaceable amino acids, particularly lysine and tryptophan. It contains considerably more amino acids compared not only to the grain of agricultural crops but also compared to such products as milk, meat and eggs. And indeed it is a well known fact that an animal organism cannot produce the irreplaceable amino acids; they must be supplied with the feed.

Considerably more oil is contained in the grain and other parts of soybean plants than in the remaining pulse crops. It occupies a leading position among plant oils in terms of its richness and calorific content. The phosphatides released from soybean oil, owing to the vitamins which they contain, are considered to be a very important food component from a physiological standpoint. Soybean seed is a highly valuable and cheap raw material that is more transportable than many other types of products. The use of soybean plants involves almost no waste material and soybean oil-seed meal, in terms of its amino acid structure, ensures completely balanced mixed feed for all types of animals and poultry. Under the conditions found in the Far East and taking into account the crops which grow here, it can be said that soybeans occupy a leading position in the enrichment of feed with proteins, fats, mineral substances and carotene (see Table 2).

TABLE 1
Comparative Structure of Various Crops According To the More Important Amino Acids (grams per kilogram)

Культура (1)	Лизин (2)	Трипто- фана (3)	Тиро- зин (4)	Цистин (5)	Аргинин (6)	Гисти- дин (7)
Соя (8)	16,5	6,2	6,2	3,3	25,5	6,8
Горох (9)	9,1	2,0	2,9	1,5	11,8	3,9
Кукуруза (10)	1,0	2,0	4,9	1,3	4,5	3,9
Овес (11)	0,9	1,7	4,5	1,3	9,2	2,6
Ячмень (12)	0,8	1,4	4,2	1,3	6,1	2,6

Key:

1. Crop	7. Histidine
2. Lysine	8. Soybeans
3. Tryptophan	9. Peas
4. Tyrosine	10. Corn
5. Cystine	11. Oats
6. Arginine	12. Barley

TABLE 2
Content in 1 Quintal of Seed (in kilograms)

Показатель (1)	Соя (2)	Горох (3)	Вика (4)	Кукуруза (5)	Овес (6)	Овес (7)
Кормовых единиц (8)	137	117	116	134	113	100
Жира (9)	19,5	1,5	1,3	4,0	2,0	1,5
Переваримое протеина (10)	36,0	19,5	23,0	7,8	16,0	8,5
Лизина (11)	2,2	1,5	1,5	0,3	0,5	0,5
Метионина и цистина (12)	1,0	0,6	1,0	0,2	0,2	0,3
Триптофана (13)	0,4	0,2	0,2	0,1	0,2	0,2
Протеина, г/корм. ед (14)	283	167	199	59	142	85

Key:

1. Indicator	6. Wheat	11. Lysine
2. Soybeans	7. Oats	12. Methionine and cystine
3. Peas	8. Feed units	13. Tryptophan
4. Vetch	9. Fat	14. Protein, in grams per feed unit.
5. Corn	10. Digestible protein	

Soybeans are used in the form of fodder, hay, haylage, silage, grass meal, granules and briquettes, oil-seed meal, oilcake and soybean milk. Livestock are also fed straw, chaff and products obtained from the processing of soybeans -- straw bulk, phosphatides, soybean concentrate, vitamin E and others.

The far eastern plant breeders have created the feed varieties of soybeans Amurskaya Buraya-57, Amurskaya Chernaya-116 and others, which are characterized by high yields -- on the order of 150-250 quintals per hectare, with thin-stalked bulk and which do not fall during ripening and harvesting of the leaves and which are rich in proteins, mineral substances and vitamins. The seed of the feed varieties is smaller than that of the grain varieties and this accounts for a greater coefficient of propagation.

Distinct from wild-growing and sown grasses, which rapidly lose their nutritional qualities with the commencement of blossoming, the fodder of feed and grain varieties of soybeans increases its content of protein and fat, mineral substances, vitamins and especially carotene during the phase of blossoming and bean formation. The feeding of soybean fodder to cows is an effective means for raising the milk yields and the fat content of the milk.

Experiments carried out at DalNIISKh [Far Eastern Scientific Research Institute of Agriculture/ have shown that sowings conducted between 15 May and 10 July can produce fodder that can be fed to livestock and preserved feed that can be prepared from soybeans within a period of 3 months. Vitamin-grass meal that is prepared from such soybeans is highly nutritious and contains a large amount of carotene, considerably more than other local crops.

Hay made from feed varieties of soybeans and also the straw and chaff possess high feed qualities. One quintal of straw contains up to 35 feed units, 3-4 percent digestible protein, 1.2 percent fat and 14.2 percent cellulose and the chaff contains up to 53.5 feed units and more protein by a factor of 1.5. The soybeans are harvested at the beginning of the third 10-day period in September and in October, at which time the monsoon rains are abating and dry and sunny weather prevails in the continental portion of the zone. The straw in piles or shocks remains well preserved and is used for feeding to cattle. At the Vostochnoye OPKh, it is milled and steamed in a feed preparation shop and seasoned with gourds or root crops. Such mixtures are readily consumed by the animals and raise the milk yields and quality of the milk.

One promising method for enriching silage, haylage and other feeds with protein is that of mixed sowings of soybeans with corn, sunflowers, oats, sorghum, Sudan grass and other crops. These mixtures have been tested well at DalNIISKh on the basis of experiments carried out over a period of many years and directly at the OPKh and on other farms in Khabarovsk Kray. Their indisputable advantage in increasing the overall yields and the content of proteins, fats, mineral substances and carotene has been proven. According to data for a period of 11 years, the yield obtained from corn-soybean mixtures on an experimental plot amounted to 250-350 quintals per hectare -- 10-15 percent higher than pure sowings of corn and with 3 more quintals of protein being obtained per hectare. With a ratio for the corn and soybean crop of 3:1, such mixtures furnish silage bulk that is well balanced in terms of protein: a silage feed unit contains 100-105 grams of protein, instead of the 60 grams found in a pure corn crop.

A mixture of sunflowers with soybeans produces valuable silage bulk. Over a period of 3 years, an average yield of 263 quintals of fodder per hectare was obtained, including soybeans -- 82 quintals per hectare containing 50 quintals of feed units and 5.6 quintals of protein.

At the Vostochnoye OPKh, corn is being sown on 700 hectares only in a mixture with soybeans. Each year the farm places in storage an average of 8,000-11,000 tons of such silage and this in addition to other measures has had a positive effect on raising the productivity of livestock husbandry.

Following the harvest of early crops -- rye for fodder, barley, annual grasses, vegetables -- more than 2 months of the favorable growing season remain in the southern regions of the zone. An opportunity is created for growing an additional quantity of feed. Full advantage is taken of this opportunity at the institute's OPKh; complex mixtures of corn, sunflowers and soybeans and oats and soybeans are sown and fodder yields ranging from 120 to 170 quintals per hectare obtained. At the same time, repeated sowings are fulfilling the role of a biological ameliorant -- they absorb the excess water of the monsoon rains, they retard the development of weeds and they enrich the soil with biological nitrogen. As a rule, regionalized varieties of grain soybeans are used in the mixed sowings -- for example, Amurskaya-41 at the institute's OPKh. Late ripening varieties of a maritime selection are even more effective. They have stable stalks and they produce higher fodder yields.

The scientific institutes have developed several methods for the joint placement of forage crops and soybeans: alternating rows and hills in a row, mechanical mixture of seed, companion crops, undersowing of three lines in an inter-row spacing for corn, continuous undersowing of seedlings and some others. During experiments carried out at DalNIISKh, a sowing of alternating strips (1.8-3.6 meters in width) of high-stalk forage crops and soybeans proved to be best from an organizational and technical standpoint. It ensures a higher yield of digestible protein and feed units per hectare, it does not require special attachments or the re-equipping of units and it conforms to a greater degree to the biological peculiarities of combined crops. Corn is being cultivated on ridges in production sowings at the OPKh and soybeans are being sown in rows of corn seedlings following the first cultivation of the inter-row spacings.

The Far East is one of many regions in which soybeans is producing stable yields in the absence of irrigation. Highly productive early-ripening grain and feed varieties have been created here and industrial technologies for cultivating them have been developed. One of the chief tasks of farming in the Far East is that of maximum development of soybean sowing operations.

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LIVESTOCK AND FEED PROCUREMENT

UZBEK FEED PROCUREMENT SHORTCOMINGS OF CONCERN TO PARTY

Tashkent PRAVDA VOSTOKA in Russian 10 Aug 86 p 1

[Editorial: "Let's Accelerate Feed Production!"]

[Excerpts] The reorganization that has been begun in all spheres of our society's life and activity presupposes the complete application of efforts by everyone in his own place in improving production, the economy, and social development. This reorganization is inconceivable without accelerated movement forward, the mobilization of the resources and creative participation of the masses, the use of newer and newer reserves, the improvement of planning, administration, and management style, and the search for new paths and methods in developing all the branches of socialist production. As Mikhail Sergeyevich Gorbachev said at the conference of activists of the Khabarovsk Kray party organization, it is necessary for this reorganization to begin with each person individually, by each person's definition of his own civic position, with the increasing of political and labor activity and with the intensification of responsibility for the job that has been assigned and for the final results. It is necessary first of all to give oneself the task of doing everything conscientiously, with a large amount of responsibility to oneself and to the nation.

With this high gauge of demandingness toward the reorganization and the accelerated development of the republic, the Bureau of the Central Committee of the Communist Party of Uzbekistan [UzCP] has considered the rate of feed procurement in the current year.

The relatively short duration of the feed procurements, the compressed periods of time for the vegetation of the feed crops, the lack of water this year, and the need to mobilize the equipment and manpower within the near future to the cotton fields of our republic -- all these things have required the feed procurement specialists to apply all their efforts as early as the very first spring days, and to display high responsibility and discipline, organizational spirit and order, and, finally, excellent results in creating a solid feed base for socialized animal husbandry, without which neither the summertime productivity of animal husbandry nor the successful forthcoming wintering-over period in the branch would be conceivable.

The task would seem to be clear. Especially since the CPSU Central Committee, as long ago as May, directed the attention of the republic's party organization to the unsatisfactory organization of feed procurements in Uzbek SSR. Even then it was important to begin promptly to carry out the "green

harvest," and to increase its rates.

The party and Soviet agencies and the republic's agroindustrial committees and associations, in response to that criticism, developed additional economic-organizational measures. Their fulfillment made it possible to improve feed production somewhat. The areas planted to feed crops increased by 78,000 hectares, as compared with last year. In the feed-crop structure, perennial grasses occupied 63 percent. Steps were taken to prolong the operational periods of the green conveyor belt. With a plan for the repeated sowing of corn for silage on 45,000 hectares, the actual area sown was 60,000 hectares and it is planned to increase the area for these sowings to 139,000 hectares.

The intensification of the attention to feed production helped the animal husbandrymen to improve somewhat their contribution to the implementation of the Food Program. In the first seven months of the year, as compared with the same period last year, purchases of livestock and poultry increased by 4 percent; milk, 12; eggs, 7; wool, 6; and karakul, 2 percent. There was an increase in the average milk yields, egg-laying productivity, and heifer pregnancies, and a reduction in the number of hogs and cattle that died.

But, putting it bluntly, in a few places these planned successes were perceived with indifference. The party warns us against this. The need to exterminate this indifference and to take a self-critical approach to evaluating what has been achieved is required by the 27th CPSU Congress and the decisions of the June 1986 Plenum of the CPSU Central Committee, and is also required by social development, which has been channeled into the path of reorganization and acceleration. The failure by certain party organizations and committees, subdivisions of the agroindustry, and the local Soviets and trade-union organizations to consider these principles has led to alarming results in feed production. This alarm is understandable -- time is marching by, and in agricultural production it is difficult to make up for lost time. And frequently that time is wasted because of the lack of organizational spirit and responsibility; the loss of a sense of reality; complacency and indifference; and the underestimation of the seriousness of the situation that has been created as the summer comes to an end, under conditions of a shortage of water. It is precisely during this critically important time that many party rayon committees, rayon executive committees, RAPO [rayon agroindustrial associations], secretaries of primary party organizations, and most of the farm managers have lessened their supervision of the rate of feed procurements. Lesser quantities of coarse feeds have been procured, as compared with last year, on the farms of Dzhizak, Kashkadarya, Navoi, Samarkand, Surkhandarya, Syrdarya, Tashkent, and Khorezm oblasts and Karakalpak ASSR.

Cultivation of the republic's basic feed crop -- alfalfa -- has been poorly organized, and the harvesting of it for hay and green feed has been carried out inefficiently and without any supervision on many farms. Uzbekistan is the traditional and ancient zone for the growing of this precursor of cotton. But the party committees and the specialists on the farms and in the subdivisions of Gosagroprom have greatly lessened their attention to alfalfa. In all oblasts that have at their disposal the technology for the harvesting of alfalfa in 5-7 days, there has been a delay of 2-3 weeks with the mowing, the mowing has been extended to as much as a month, and the alfalfa is mowed at the stage of mass flowering and even the formation of seeds, when the nutritive qualities have already been lost and it is impossible to restore the

output of lost feed units. During the period between mowings, no mineral fertilizers are applied to the alfalfa fields, and they are not irrigated promptly, although water has been specially allocated for these purposes, and the attempt is made to cover over the mismanagement in this regard by showing excessive concern for irrigations of the basic crop -- cotton. On a number of farms in Bukhara, Fergana, and Kashkadarya oblasts and Karakalpak ASSR, the alfalfa has been allowed to dry out. But the brigades from fraternal cotton-growing republics, which carry out reciprocal inspections here and have been working on the fields of Uzbekistan, have frequently mentioned the drowning of the cotton and the squandering of irrigation water. As a result, on certain farms the mowings of alfalfa yield no more than 10-15 quintals of hay per hectare. Moreover, the mown alfalfa lies for a long time in piles, losing its financial and nutritive value. And yet there exist progressive methods for laying in supplies of alfalfa hay, and they have been tested many times -- pressing, active ventilation, shadow drying of the hay cuttings, and the preserving of the succulent feeds. But they are being used in insignificant volumes. The kolkhozes and sovkhozes have practically no hay sheds, and the storage facilities for succulent feeds have not been prepared everywhere by the beginning of the harvest. This irresponsibility directly harms the quality of the feeds. And their quality is more important than the notorious "gross," that is sometimes achieved at the expense of haloxylon, rush, and other weighty admixtures which are incapable of producing either milk or meat. And the already grown alfalfa which, if the technological schemes for laying in supplies of it were used efficiently, could yield the feed units that are so necessary to animal husbandry, loses its nutritive value because of the mismanagement. In Karakalpak ASSR more than 34 percent of the hay has been put in class III or substandard category; and in Dzhizak Oblast, almost 23 percent. On a number of farms, all the alfalfa hay that has been laid in is substandard. And this is the result of only a random determination of the quality standards of the hay. Ineffective use is being made of the well-extended network of oblast, interrayon, and rayon agrochemical laboratories, which have been called upon to protect the quality. In each oblast they inspect for quality standards no more than 30-35 percent of the hay that has been laid in, and there is no foundation for assuming that the uninspected feeds are any better than those that have been inspected. Therefore, in feed procurements, the "gross" continues to be the preferred indicator in the reports. And this is a direct path to the figure-paddings which to this very day have not been eliminated from feed production. The work on the "gross" in the procurement of feeds provides a loophole for subsequently writing off any conceivable and unconceivable quintals of inferior feed for the production of a nut of output. The situation is aggravated by the fact that the primary accounting of feed procurements has not been carried out properly everywhere. In entire rayons, farms get along without any commodity invoices. Frequently the feeds are not weighed, but their volume is determined by eye. This leads to a misrepresentation of the true state of affairs.

The only way one can establish order into this matter is by the further introduction into feed production of the collective contract, of cost accountability, when the payment of the labor performed by the feed procurement specialists and the farm managers and specialists is made directly dependent upon the quantity and quality of the animal-husbandry output that is being sold to the state. This experience also exists in the country and in our republic. Gosagropromy must study that experience in detail and introduce it on the farms.

The miscalculations in feed production reflect upon the everyday condition of animal husbandry.

Despite the availability of succulent and green feeds, almost none of them are given to cattle. There is practically no preparation of the feeds, and, practically speaking, the feed shops and feed kitchens do not operate during the summer. This reduces the productivity of the dairy herd and has been a reason why the republic has not fulfilled the half-year plan for milk production. It is possible right now to enrich the rations with feed beets. But those beets have not been provided to the dairy herd -- the digging up of the roots has been carried out in only a few places. Something else that has been dragging out is the laying in of supplies of corn for silage, as a result of which many farms are suffering losses in the harvest yield of this valuable feed crop. The harvesting equipment sometimes stands idle, and the productivity of the operating combines is extremely low. As a result, the republic has laid in supplies of only slightly more than 400,000 tons of silage -- less than 9 percent of the plan. And in Bukhara, Dzhizak, and Navoi oblast that indicator is even lower -- respectively 1.4, 4.1, and 7.2 percent.

An important reserve for supplementing the feed reserve under the republic's conditions is the carrying out of repeated and intermediate sowings during the autumn and even during the winter. But the time for these sowings is passing by, and the repeated crops have been planted only on half the areas. And, practically speaking, not a single oblast has begun to sow any intermediate crops -- rape, "perko," Triticale, and legume-cereal mixtures.

All these questions in feed production are fraught with irreplaceable losses for animal husbandry. They are irreplaceable if, within the near future, order is not introduced into the production and procurement of feeds, in the style and methods of managing the branch. And primarily, as is required by our time, it is necessary to hold strictly accountable those who guilty of failures in work wherever incompetency, indifference, irresponsibility, and lack of supervision have become the reasons for this failure. As was already reported in the press, the Bureau of the UzCP Central Committee has subjected to sharp criticism the party, Soviet, and economic managers who were guilty of disrupting the feed procurements this year. As a result of their failing to provide management, secretary of the Navoi Oblast party committee Ya. A. Sultanov and chairman of the oblast Agroprom B. Nurulpayev were relieved of their duties. A strict reprimand was given to First Secretary of the party's Turtkulskiy Rayon Committee G. N. Khadzhiyev. The party managers of many rayons have been punished for the extremely unsatisfactory organization of operations in the production and procurement of feeds.

Reacting to this in a party manner means taking steps everywhere for the immediate correction of errors in feed production, and, within the shortest periods of time, giving the branch the acceleration without which it would be inconceivable to make up for what has been lost. The party committees and the Soviet and economic agencies in the outlying areas must, without any vacillation, analyze the state of affairs on every farm, in every brigade, must take under their supervision all the work of producing and procuring feeds, and establish strict accounting and reporting in this matter. It will be necessary to make significantly greater demands on the cadres at this administrative level, to hold strictly accountable the persons who are guilty of the failure in the branch, and to assign that job to persons who are competent and responsible.

The party's oblast and rayon committees, the Soviet and economic agencies, and the subdivisions of Gosagroprom must increase their demandingness toward the cadres for creating a solid reserve of feeds for the forthcoming wintering-over period, and must eliminate the mismanagement in the use and storage of feed resources. It is necessary to reorganize fundamentally the work of producing and procuring feeds on the basis of the introduction of advanced experience and technological schemes, and the achievements of scientific-technical progress and agronomic science, and to concentrate the attention of every worker in the branch on the intensification of the cultivation of the feed crops, especially alfalfa and corn, and irrigating and fertilizing them, and on reducing the cycles between harvest and obtaining high harvest of hay and succulent feeds while retaining their good quality. It is necessary to establish everywhere rigid supervision over the rates of harvesting of corn for silage, and to guarantee the assignments for the sowing of repeated and intermediate crops. It is necessary to plant those crops not only in the planned areas, but also on land where there was a delay in the August sowing of alfalfa — in every specific instance it is necessary to approach this matter like an owner, and to display a scientifically substantiated approach to collective intelligence.

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LIVESTOCK AND FEED PROCUREMENT

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PROGRESS, PROBLEMS OF MILK, LIVESTOCK PROCUREMENT IN RSFSR

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Article by V. Baturin, chief of the Main Territorial Inspection for Controlling the Work of the Agro-industrial Complex of RSFSR Gosagroprom: "Expanding Direct Contacts" /

Text The 12th Five-Year Plan has assigned very important tasks to the livestock workers in the Russian Federation. In conformity with the decisions handed down during the 27th CPSU Congress, a program will be persistantly carried out aimed at satisfying completely the population's requirements for meat, dairy and other food products. Compared to the 1981-1985 period, the plans call for the average annual production of meat to be increased by 11 and milk by 7.6 percent.

The chief path to be followed for solving these problems -- intensification of livestock husbandry operations and improvements in livestock productivity and effectiveness. During the five-year period, the average annual milk yield per cow must be raised by 150-200 kilograms and the average daily weight increase in the animals -- by 30-40 percent.

At the same time, one of the most important reserves for increasing food resources is that of lowering product losses during procurement, storage, transport and processing operations. It has been estimated that hundreds of thousands of tons of meat and milk are lost for various reasons along the conveyer line stretching from the farms to the processing enterprises and thus never reach the consumers. The quality of the products also declines. Large losses occur during the transporting of livestock, poultry and milk as a result of shortages in specialized transport vehicles, storahouses and other equipment on the farms and also owing at times to a negligent attitude towards this work on the part of some workers.

Are the means available for eliminating these shortcomings and ensuring more complete protection for and the processing of all products obtained? Yes, such means are available. During the years of the 11th Five-Year Plan, a considerable amount of work was carried out in this regard. In particular, 192 additional dairy enterprises and 13 meat combines were built. Roughly 50,000 facilities for the acceptance, purification, refrigeration and storage of milk were modernized and equipped, 35,000 laboratories for determining the quality of the milk are in operation, more than 50,000 kilometers of intra-farm

hard surface roads were placed in operation and other types of work were carried out. Enterprises of the processing industry have increased considerably the assistance being given to kolkhozes and sovkhozes in the allocation, installation and adjustment of technological equipment, in the delivery of disinfecting and washing equipment and in personnel training.

The acceptance of milk at the sites has been organized better than average at kolkhozes and sovkhozes in the Chechano-Ingush ASSR, Stavropol and Khabarovsk kraya and in Belgorod and Murmansk oblasts, where this work has practically been completed. More than 50 percent of the milk is being accepted on site at farms in Arkhangelsk, Volgograd, Leningrad, Rostov, Omsk and Tyumen oblasts.

The work of accepting milk directly on the farms is being carried out most successfully in Belgorod Oblast. Here, over the past 3 years, 247 dairy units have been built or modernized, 447 refrigeration units and 348 tanks for the cooling and storage of milk have been installed and more than 800 kilometers of hard surface road have been built. At the present time, almost all of the oblast's farms and enterprises have converted over to the new procurement method and practically all of the milk is being accepted at the production sites.

The advantages are mutual for the farm executives and the procurement specialists. A kolkhoz or sovkhoz experiences no problems in turning over its output and is able to sell high quality milk right out from under the cow, figuratively speaking. No longer is there any need for endless arguments concerning fat content or the acidity of the milk. In turn, a procurement specialist is able to plan and organize in advance systematic processing of the output; the availability of high grade raw materials serves to guarantee the production of high quality products. The expenses for shipping the milk have declined sharply and a reduction has taken place in the number of transport vehicles used for this purpose, since the milk tanker trucks are now being filled completely and no longer is there a need for shipping the product in small batches, at times in milk cans.

Rostov Oblast serves as a fine example of good organization in converting over to progressive forms for integrating enterprises of the meat and dairy industry with kolkhozes and sovkhozes. Here, practically within a period of 3 months, a conversion has been carried out in all areas over to having milk accepted directly on the farms and also to centralized milk shipments. Inventories have been taken on the farms, a list has been made of missing items of equipment, approach roads have been improved and personnel training has been carried out -- and the work has progressed. But this required a considerable amount of work on the part of the oblast's agroprom. It had to mobilize the efforts of the repair-technical enterprises, builders, motor vehicle operators and road builders.

Positive experience in organizing the acceptance of milk, livestock and poultry directly on the farms has also been accumulated in Stavropol Kray. In particular, for several years now the kray's meat and poultry combines have been accepting broilers directly on the farms on the basis of live weight, with a one and a half percent deduction for the contents of the gastro-intestinal tract, regardless of the distance over which the poultry are transported. The Stavropol'skoye Broiler Association went even further. Here they designed and

produced 40 metal containers, each with a capacity for 180-250 head, the use of which has made it possible to increase the shipments of broilers to 15,000 head daily.

The introduction of this new form of procurements, together with improvements in the maintenance and feeding technology, has had a very favorable effect on the quality of the poultry being supplied for processing. The proportion of meat of the 1st category has increased considerably, the profitability level for the processing of poultry has been raised and the profits from output sales have increased. As a result of a reduction in the number of trans-shipments, the number of injuries being sustained by the poultry has decreased by a factor of 2-3 and labor expenditures for carrying out loading and unloading operations have declined by 30 percent. The economic effect realized from the acceptance of poultry directly on the farms exceeded 2.5 million rubles.

Livestock shipments are well organized in the kray. More than 70 percent of the animals are delivered for processing by means of centralized transport. The organization of shipments is entrusted to the motor transport enterprises of rayon agro-industrial associations. Here the livestock wagons are concentrated, here there is a logistical base and here the problems concerned with the supplying of fuel and lubricating materials have been solved. This promotes more efficient use of specialized transport vehicles and reductions in shipment costs.

A similar form for organizing livestock shipments is being employed in the Bashkir and Chuvash ASSK's, in the Altay Kray and in Voronezh, Kuybyshev, Volgograd, Rostov, Tula and some other oblasts. Practical experience has been accumulated in the acceptance at the sites of container shipments of poultry by enterprises of the meat industry in Krasnoyarsk Kray and in Rostov, Ivanovo, Orenburg and Tambov oblasts.

The measures adopted have made it possible to increase the acceptance of livestock husbandry raw materials at the production sites and to improve their quality somewhat. During the 11th Five-Year Plan, throughout the RSFSR as a whole, the volume for the acceptance and centralized shipping of milk from the farms increased by a factor of 2.6. The proportion of milk accepted on the farms compared to the volume processed increased from 21 percent in 1980 to 43 in 1985 and the volume of centralized milk shipments increased by 7.8 million tons or by more than twofold. The acceptance of poultry at the sites and the centralized shipping of livestock from the farms increased during this period from 200,000 tons to 2.2 million tons, that is, from 3 to 33 percent. The acceptance at the sites and the centralized shipping of milk from the farms were employed last year by 9,100 kolkhozes and sovkhozes, livestock and poultry -- by 8,300. This constituted approximately 40 percent of their number. The quality of the milk improved coincidental with the conversion over to the delivery and acceptance of the milk at the sites. Over the past 5 years, throughout the RSFSR as a whole, the deliveries of 1st grade milk increased by 10 percent and amounted to almost 80 percent of the overall volume of procurements.

However, the rates achieved for converting enterprises over to accepting the raw materials directly in the production areas are clearly inadequate, as borne

out by the fact that the 1985 task for the acceptance of milk, livestock and poultry at kolkhozes and sovkhozes remained unfulfilled. In a number of areas the proportion of centralized shipments is extremely low. Thus, less than 25 percent of the milk in Perm, Kalinin, Penza oblasts and in the Buryat and Tatar ASSR's is being accepted directly on the farms.

In Sverdlovsk Oblast, the task for accepting this product at the sites was fulfilled last year by only 64 percent. Only 73,000 tons were accepted -- several percent of the overall procurement volume. Only 20 percent of the milk was shipped using the transport equipment of the procurement specialist. These procurement forms are being employed on 66 of the farms, whereas the availability of intra-farm roads, specialized motor transport equipment, dairy units and laboratories made it possible even in 1985 to increase the acceptance of milk at the sites, with no additional expenditures, to 220,000 tons. A specific program has not been established in the oblast, one which would establish the schedules, or a strict and efficient system for controlling implementation of the program.

Turinskiy Rayon serves as a typical example of an irresponsible attitude towards this important work. Last year the rayon's farms were assigned a task which called for the acceptance and centralized shipping of 15,000 tons of milk. In accordance with a decision handed down by the executive committee of the rayon soviet of workers' deputies, the task was assigned to six farms. Actually however, this work was organized only at two kolkhozes. As a result, the task was fulfilled by only 30 percent, despite the fact that the rayon had at its disposal all of the conditions required for realizing a considerable expansion in the acceptance of milk in the production areas.

Nor is the situation any better in the oblast with regard to the centralized shipping of livestock and poultry to the meat combines. Last year, against a task calling for 32,000 tons, only 12,000 tons of livestock, or 45 percent of the plan, were actually shipped. Neither the agroprom workers nor the leaders of enterprises of the processing industry are undertaking effective measures aimed at accelerating a solution for this important work.

Of the overall volume of procurements, less than 10 percent of the livestock were shipped last year using transport equipment of the procurement specialists in Novosibirsk, Omsk, Perm, Kirov and Vologda oblasts. The acceptance of poultry at the sites has still not been organized in one third of the oblasts, kray's and ASSR's. These facts indicate that inertia in the relationships between APK partners has still not been overcome, partners who earlier operated under conditions of departmental isolation.

In some areas, a concentration of meat and dairy enterprises and receiving points was carried out in the absence of proper economic justifications. The leaders and specialists of the processing industry displayed concern mainly for their own benefits and were not at all worried over the interests of the kolkhozes and sovkhozes. Thus it comes as no surprise to learn that during the 11th Five-Year Plan a clear trend was observed towards a reduction in the milk receiving network. The number of local plants, separator departments and points decreased by 400 units. This led to an increase in the radius of milk deliveries and thus the quality of the milk was adversely affected.

In the Mari ASSR, for example, a combine with a capability for producing 400 tons of milk daily was built, the raw materials for which are brought in from many regions throughout the republic, at times over distances of 150-200 kilometers. Moreover, the cost for a crossing of the Volga River by one milk truck is 20 rubles, not to mention other expenses.

Because of shortcomings in the production capabilities and their irrational placement in the Altay Kray and in Orenburg, Pskov, Saratov, Kaluga, Kursk and Rostov oblasts, the livestock are transported for processing over distances ranging from 200 to 700 kilometers and this is very disturbing to the procurement specialists and processing workers.

Thus the need for converting the farms over to the delivery and acceptance of livestock husbandry output at the production sites, as one of the chief factors for lowering losses, reducing transport-procurement expenses and achieving radical improvements in quality, requires that the agroproms of oblasts, krays and autonomous republics conduct a review of the distribution plans for enterprises of the processing industry in the interest of ensuring that the processing operations are located as close as possible to the production areas.

Serious shortcomings persist with regard to supplying the farms with the equipment required for weighing, primary processing, refrigeration, storage and determining the quality of the milk. The requirements of the kolkhozes and sovkhozes for milk tanks are being satisfied only by 65 percent, cooling tanks -- 56, refrigeration units -- 70, pasteurizers -- 63 and fabric for filtering the milk -- 80 percent. On farms in Orel, Lipetsk, Voronezh, Saratov and Tambov oblasts and in the Bashkir ASSR, the availability of refrigeration units amounts to less than 40 percent of the requirements. At the same time, there are large amounts of "immobilized" equipment on many farms -- either they are non-standard items of equipment or they have broken down owing to unskilled operation.

With the creation of a single agroprom, a real opportunity has become available for regulating and accelerating a solution for this problem. The availability within the APK system of a machine building and repair industry and the increasing volumes of equipment deliveries to the rural areas are making it possible, within a comparatively brief period of time, to equip technically all of the farms for the primary processing of milk. Experience accumulated in Volgograd Oblast has shown that patronage support on the part of municipal industrial enterprises can provide a great amount of assistance in carrying out this work.

One important cause of the slow increase in the volumes of livestock products being accepted directly at the production sites is the inefficient and unsatisfactory utilization of the pool of special motor transport equipment. The available numbers of specialized machines are sufficient for ensuring the acceptance at the sites of all of the products being procured. However, departmental isolation is preventing this from happening. Strange as it may seem, it is continuing even under the new and single structure for the APK. As a result, the milk trucks turned over to the dairy industry and to motor transport enterprises, using the funds of the former Ministry of Agriculture for the RSFSR, are in many instances not being used as intended and in fact

some of them are even being re-equipped as sideboard trucks. The degree to which the milk trucks are being employed continues to remain low. Thus, in the Mordovian ASSR, owing to the diversion of tanker trucks for intra-system technological transport operations, the workload for a motor vehicle engaged in transporting milk from the farms does not exceed 590 tons, in Pskov Oblast -- 500 tons annually. The coefficient of use of milk trucks belonging to the republic's kolkhozes and sovkhozes is extremely low.

A similar situation has developed in connection with the use of specialized transport for transporting livestock. Last year the motor transport enterprises of the meat industry transported just slightly more than 5 percent of the livestock.

Beyond any doubt, departmental isolation was one of the chief factors restraining the introduction of progressive forms for the acceptance, transporting and processing of livestock husbandry output. But indeed the situation has now changed radically. With the creation of a single Gosagroprom system, all of the departmental barriers between the producers and processors of the products have been removed. A single management for the kolkhozes, sovkhozes and processing enterprises has been concentrated in the hands of the rayon agro-industrial associations and territorial agroproms. However, the creation of conditions for joint work by itself will scarcely produce positive results if proper action reinforced by painstaking and purposeful organizational work is not displayed in the various areas.

There is no basis for stating that such work is not being carried out whatsoever. To the contrary, statistics indicate that the introduction of progressive forms for procuring livestock husbandry products has been accelerated to a considerable degree this year. The volumes of products accepted in the production areas and the centralized shipments of these products during a six month period increased by almost one third compared to the same period for last year.

But we have less basis for remaining content with that which has already been achieved. Numerous incidents involving the use of a formal approach in carrying out this important work are arousing serious concern. A typical example: just as in the past and in a large number of regions, only centralized shipping of the milk is being carried out, with the quality indicators being determined not at the farms but rather at the dairy plants. Last year, enterprises of the dairy industry transported 900,000 tons of milk from the kolkhozes and sovkhozes, in the absence of acceptance and delivery documents being prepared at the farms. And at the present time we still have many enterprises which are violating the instruction that calls for the milk to be accepted in the production areas. An entry concerning the milk quantity and quality is made in the commodity-transport invoices at a farm, but the completed document is delivered to it on the following day after a quality check has been carried out in the plant's laboratory. Moreover, the leaders of some enterprises refer to the absence of stamps for indicating the acceptance of milk at a site in the commodity-transport invoices. But are stamps the answer? Quite often, during the final completion of the invoices at dairy plants, discrepancies arise in connection with understated milk weight and fat content. The greatest number of violations of the rules for accepting products and for maintaining accounts with suppliers, as revealed by sampling checks,

are occurring in Vologda, Ulyanovsk, Chalyabinsk and Kurak oblasts and in the Chechene-Ingush ASSR. There have also been instances of kolkhozes and sovkhozes shipping their products without first determining the weight and quality and in the absence of appropriate preparation of the accompanying documents.

All of this testifies to the fact that the operational style and methods of some agro-industrial committees of oblasts, krays and autonomous republics and also some subunits of RSFSR Gosagroprom, responsible for the work of the processing industry, still do not conform fully to the requirements of the times. The tasks assigned by the party and government with regard to completing, during the 12th Five-Year Plan, the conversion of all enterprises over to accepting livestock husbandry raw materials directly at the farms and shipping them by means of specialized transport are not being solved at sufficiently rapid rates. Meanwhile, the reorganization of the administration of the agro-industrial complex raises up still another priority task: the accelerated development of integration of agricultural production and the processing enterprises.

The Board of RSFSR Gosagroprom, based upon the true potential and conditions created during the course of reorganizing the agroprom, has handed down a decision this year calling for a complete conversion over to accepting milk directly at the farms and also for centralized milk shipments. The leaders of kolkhozes and sovkhozes, enterprises of the processing industry, transport organizations and organs of VPK administration in the various areas are under an obligation to solve this problem in an honorable manner and in this manner promote an increase in the production of food products and improvements in their quality.

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POLICY, ORGANIZATION

FLEXIBILITY, INNOVATION IN MARKETPLACE ADVOCATED

Moscow ZNAMYA in Russian No 6, Jun 86 pp 175-203

[Article by Anatoliy Strelyanyy: "Income and Expenditure. The Socialism of Thinking Against the "Socialism of Feeling"]

[Text] The most common view of the slackening rate of our development in the seventies and eighties is the economic view. It is expressed in the Political Report of the Central Committee to the 27th CPSU Congress: "The main point is that we did not promptly evaluate the change in the political situation, that we did not realize the importance and urgency of converting the economy to intensive methods of development and of actively utilizing advances of scientific-technical progress in the national economy. The report called for radical reform, for "the most serious restructuring of the socialist economic mechanism" and formulated and substantiated a task of historical importance: "to make the transition to the economic methods of management at all levels of the national economy" as soon as possible.

There is also another view of the lessons of the seventies and eighties. It was also discussed in the press before the congress although not in much detail. According to this view, it was not by any means economic levers, but rather political and administrative levers that were weak; that there was a lack of action in the form of direct orders. These years showed, one quite well-known economist wrote, that "the opinion that many problems of economic growth would automatically be solved by higher spending and tighter evaluation was naive at the very least." Offering his own special evaluation of the last 15 years and his disapproving view of attempts to apply something more effective and convenient than an order, regulation or instruction, he argued: "The manipulation of figures, value indicators and gross indicators does not provide the national economy with the products that are the enterprise's reason for being."

What is the explanation for the mistrustful attitude toward economic methods and toward economic democracy in general--an attitude that will hardly disappear merely because they were clearly endorsed by the 27th Congress? How did it come to pass, in the words of the Political Report, "that any change in the economic mechanism is regarded by many as deviation from socialist principles?" Was there in the recent past the exaggeration of the role of the ruble and the downgrading of orders and appeals? No. In any event, the

reasoning of specialists who called for economic methods to replace administrative methods was never blatantly expressed as "spend more, evaluate more closely." Their language has been and continues to be fundamentally different. In this language, the term "to pay" is opposed by the term "to earn." "To evaluate more closely" is also not from that language. It has entirely different words, specifically: to verify, to verify prices by the marketplace, by the consumer. Naturally, some things will then cost more, others will cost less, and some prices will remain stable to the pricer's delight—this means success, guessing right, understanding business conditions as, for example, at the beginning of the eighties when purchase prices on staples were raised (without fearing charges of naivete!). There was also a plethora of the most dramatic organizational conclusions [orgvyvody] in the seventies. During the 9th Five-Year Plan, more than half of the kolkhoz chairmen in the RSFSR were removed; under the 10th, the figure was still higher. In some oblasts, 8 out of 10 farm managers were replaced, but little resulted from this. In Kalinin Oblast where such uneconomic methods were applied with particular vigor, food production not only did not increase under the 10th and 11th five-year plans, but even declined.

When you hear people who consider the economic view of the difficulties of the seventies and early eighties naive, you sometime get the impression that their position is based on a curious misunderstanding connected with the growth of the population's money incomes in the seventies. Some of them regarded the increase in the amount of paper money people had on hand and in their savings books and the numerous increases in rates and salaries as evidence that economic methods were running "rampant" and, seeing no major results, became disenchanted with them. After all it is a fact that during these same years when payment in kind was virtually reduced to naught on kolkhozes, philosophers and sociologists in unison proclaimed the "new word" in their science: the word against material incentives. They did not defame it, they did not accuse it of baseness. No, the art of trick riding was much better than in the past: they stated that material incentives had proven their ineffectiveness before their very eyes. Principles, especially family principles; traditions, especially labor and national traditions; moods, especially political moods; feelings, especially civic feelings; and the microclimate within the collective, were supposedly another matter.

In a long monograph entitled "Trud" [Labor] published in 1973, I. Changli, doctor of philosophical sciences, declared that the desire to work was recognized by all the people "with the exception of a few parasites," even though labor, in her words, had not yet become the first desire. This point of view, which seemed to contain nothing more than the usual bombastic phrases, specifically pushed material incentives and economic levers into the background. Whatever the ranking of this desire, whether it be second or third by actual count, it is a desire and not a need. To plan the satisfaction of man's desire for labor is entirely different from encouraging him to perform work that may be difficult and not very pleasant, but nevertheless necessary to society. Understandably, negative phenomena in our society such as absenteeism and mismanagement, for example, were primarily attributed to the fact that people's consciousness failed to keep pace with their rapidly changing lives. I. Changli and those of like persuasion placed at the center of all activity "the individual as the general aggregate of

social and biosocial properties, i. e., the individual in the narrow sense of the word." What kind of material incentive can there be here!

This is probably the biggest sin of our philosophers in many decades. It is the sin not merely of empty verbiage, of rehashing and echoing the sentiments of others, but is rather the sin of the ignorance of life as it was defined in other, sterner words by the late M. A. Suslov. Even the people who it would appear should have known life better than anyone else fell most unnaturally prey to this sin. "The road to abundance appeared indisputable: the material incentive of the peasant. We managers began waving the ruble at equipment operators and milkmaids: if you do more, you'll get more." Such, for example, was the self-criticism expressed by V. Starostin, director of the "Andreyevskiy" Sovkhoz in Vladimir Oblast in NASH SOVREMENNICK (No 1, 1981). With a sincere feeling of pain, he assumed the blame for the fact that present sovkhoz workers, unlike "kolkhoz muzhiks of the past" demand pay worthy of their labor and do not want to admit that "grain and land are sacred and must be approached with a pure, unselfish soul."

While the disenchantment with material incentives, or more precisely, with what was conceived to be material incentives was substantial, it was not the entire explanation. It does not explain the most important thing: the very nature of thinking that is so easily disappointed about such serious things, that is ready to accept prejudices—judgments and conclusions that are not preceded by the calm critical work of the mind, before reason, prior to reason, outside experience and contrary to experience. In the given instance, the prejudices are economic or more precisely anti-economic.

In the Soviet period, the word "prejudice" was first used in economic parlance by V. I. Lenin at a Moscow Guberniya party conference on 29 October 1921. The subject of discussion was peacetime management and the principles that should serve as the basis for relations between town and country, between plants and factories and the state. "To date a small number of enterprises have already been put on a commercial footing," Lenin stated and went on to explain what this meant: "wages are paid according to the prices on the open market, and they have gone over to gold in their settlements." "We must not shun commercial accounting," he insisted. "Only on this commercial basis will it be possible to build up the economy. This is being hindered by prejudices and by reminiscences of yesterday."

"Yesterday" was nothing more nor less than "War Communism" in which there was no place for the management of the economy by merchant methods. It was a time when the countryside was supposed to supply food to the cities free of charge under the food allotment system and the state, in turn, distributed this food in the cities, also not according to the amount of work people performed, but on a ration basis, on the basis of lists or membership cards of consumer communes or unions that Sergey Zalygin would write about 60 years later in his novel "After the Storm" [Posle buri], including unions of "half-starved and hungry writers and especially writers, that sprang up like mushrooms in every hamlet; every union had its own manifesto, its own mysterious creative program and was invariably supported by the proletarian state, always in the same privileged category "A" with the pound ration of bread...."

And there was also the belief that prosperity could be attained by gradually increasing the size of the ration and the number of people assigned to category "A," and that the 8th Party Congress, without making any reference to the war whatsoever, had decreed the perpetuation of this path: "to steadily continue to replace trade through the systematic distribution of food on a national scale." This conviction that the construction of socialism and, subsequently, communism could not be based on trade, on the commercial enterprise of plants, trusts, and cooperatives and that they could and should be built only on the basis of the apportionment of everything from bread and buttons among the population and from wrenches to oil among plants—this conviction was the principal prejudice that was soon to be subjected to Lenin's criticism.

"We decided that under the allotment system peasants would give us the amount of bread we needed and that we would apportion it to plants and factories, and that we would have communist production and distribution...This is, unfortunately, a fact. I say unfortunately because rather brief experience led us to conclude that this idea was wrong..." Lenin explained, while trying to disabuse everyone of error in the shortest possible time, so that yesterday's cavalrymen would fully master commercial methods, so that they would understand why "in our attempt to make the transition to communism on the economic front, we suffered a more serious defeat in the spring of 1921 than any defeat inflicted upon us by Kolchak, Denikin or Pilsudski, a defeat that was far more serious, substantive and dangerous."

The "War Communism" views and sentiments that existed before 1921 should be mentioned with all the respect that is due any great dream. After 1921, however, they should be treated with the full contempt that all hard-headedness deserves. When the decision was made to abolish money in 1919, it was too early to know, as we know from Lenin's later words, that nothing would come of it. Nor was there theoretical clarity on this matter. There was simply no basis for theory. Professor V. Novozhilov has noted: "Since K. Marx and F. Engels did not treat problems relating to the organization of the socialist economy, they did not foresee the enormous difficulty of that problem. They assumed, in particular, that "the law of value will lose its force under socialism." This is also what Lenin thought. He initially conceived the principle of democratic centralism "as the right of the masses to participate in legislation and administration. It was assumed that the economy would be managed by administrative methods." Not until 1921, when cumulative experience showed that trade was essential, did belief in the "rationing" system become a prejudice. It is interesting to observe this change of assessments in Lenin. The calm "erroneous idea" is instantaneously replaced by the politically incisive, devastating: "communist swaggering." His thoughts turn from exhortations and appeals: "We will not place ourselves in the power of the "socialism of feeling" or the old Russian, high-and-mighty, half-muzhik, patriarchal sentiment which is disdainful of trade to other, more effective means: "I think that the trusts and enterprises that are operating on a cost accounting basis were founded specifically so that they themselves would be answerable, entirely answerable for the profitable operation of their enterprises. If they fail to achieve this, I believe they should be hauled into court and punished together with all members of the

board with prolonged deprivation of freedom (possibly being paroled after a certain period of time), that all their property should be confiscated, etc."

Lenin now sees the great, nay the greatest harm to lie in the activity of people who "wave orders and decrees right and left," who are confident "that the 'great, victorious, worldwide' revolution can and should provide a revolutionary solution to all problems under any circumstances in all areas of activity" without noticing that the great merit of the revolution: "enthusiasm, onslaught, heroism" becomes a shortcoming when economic tasks come to the forefront.

Lenin's "commercial" ideas were not always understood in same way by everyone. In the early 1930's, for example, there was a lengthy debate on the future fate of NEP, in the course of which many authors opined that the time of these ideas had passed, that the time had come to return to product exchange from trade, thereby commencing the last stage in the New Economic Policy: while during Lenin's time, this meant the transition from "assault" to "siege," the time had supposedly come to terminate the "siege" and to return to the "assault"— the "assault" of the problems of socialist construction.

Not until 20 years later did they return to this topic.

The situation in agriculture was the direct reason for doing so. By that time (the early 1950's), agriculture was a lagging branch and the state took more from agriculture in net income than it returned to agriculture. In violation of the basic principles of reproduction, labor on kolkhozes was remunerated from remainders if anything was left. The primary emphasis was on the fulfillment of obligations to the state and on the formation of the accumulation fund. Grain, meat and milk prices did not always even defray the kolkhozes' cost of delivering these products to the railroad. This was what was later called the ignoring of the commodity character of agriculture. Successful production is inconceivable unless the enterprise has a material incentive to realize good proceeds and the worker is motivated to earn. Such incentive cannot originate without proper buying and selling, without commodity and monetary relations. These relations between agriculture and the state were simply abolished. The years of operation based on "food allotments" inflicted major harm on the country. Between the 1940's, the delivery of fertilizers doubled, power per worker and fixed capital increased almost 1.5-fold, while food production not only did not increase but even declined slightly. It would seem that industry would only gain by receiving raw materials almost free of charge from agriculture but this was not the case because it could not obtain large quantities of raw materials under these conditions. While the entire national economy suffered from the violation of the principles of mutually profitable trade and material incentive, agriculture's difficulties were the most obvious.

Such a situation could not long continue and the attempt was made to correct it as early as 1953, only 7 years after the war. The September (1953) Plenum of the CPSU Central Committee raised the purchase prices on staples several-fold, wrote off enormous debts of kolkhozes and kolkhoz workers, reduced taxes, and raised (in many places, introduced) the remuneration of labor. It was emphasized that this restored the Leninist principles of material

incentive and cost accounting; much was said about the flaws of direct, administrative management of kolkhozes and of the advantages of economic methods.

The new course was firmly adhered to for 3 years—from 1954 to 1956. Owing to the new purchase prices, the remuneration of labor on kolkhozes rose appreciably during these years and the average growth rate of gross output was 9.2 percent. This amounted to 4 kopecks per ruble of capital investment—four times more than in 1951-1953, but in 1957 the growth of the remuneration of labor was halted and agriculture responded to this as instantaneously as if a relay had been activated. The recoupment of capital investments and the gross output growth rate were cut in half. The decline in rates continued and the situation in and around agriculture was more and more reminiscent of the situation that existed 10 years ago including, *inter alia*, the same confident, businesslike tone of the discussions about agriculture. The only difference was that, previously, peat humus mounds and tree belts with the square cluster planting of oak trees were the innovations that everyone said would bring instant abundance, now the intertillage cultivation system was on everyone's lips. The most important events in internal life were zonal conferences of specialists and front-rank production workers that discussed the pluses and minuses of various crops and varieties, planting techniques and times, and strains of livestock. These details were immediately studied by all organizations and institutions everywhere, housewives and journalists learned how to compute feed units, and matters almost reached the point where operas were written about square cluster planting.

There was a corresponding strengthening of administrative methods, especially starting in 1960. By way of introducing the new and the progressive, kolkhozes and sovkhozes were once again dictated to regarding what to do and how to do it; their orders for machinery, fertilizers, and construction materials were once again slashed. As a result, in the countryside and in agriculture, the 1950's ended and the 1960's began so unsuccessfully that there seemed to be no possibility of slipping backward any further, that there could be only improvement and movement forward. It was specifically then that I heard from a rayon planner, one of those inconspicuous rural ledger clerks who think more than chief bookkeepers, such an unusually joy-filled interpretation of the words "it can't get any worse": things can't get any worse and therefore things must take a turn for the better.

Upon opening the newspaper on the morning of 28 March 1965 and seeing in large letters the words "On Emergency Measures for the Further Development of Agriculture in the USSR," more than one PRAVDA reader experienced sudden excitement. When such words as "emergency measures" are pronounced, one usually expects something in the form of an order. After all, "emergency" is the same as "extraordinary" and "exceptional." This time, everything was the reverse. These measures were tranquil measures that were occasioned by circumstances that were truly extraordinary. It is such cases that provide a basis for discussing politics as an art. It is probably not by chance that it never occurred to anyone to speak about the art of the politics of direct coercion, of administrative restrictions. There may occasionally be a lamentable need for coercion, but there can be no beauty, art, or higher correctness.

Large kolkhoz and sovkhoz debts were written off, purchase prices on staples were sharply raised, the planning rights of farms were expanded, and it was promised that the plan-order would be made stable for 5 years. Rural managers were especially inspired by the stability and moderateness (which was also promised) of the plans—it would henceforth be possible to farm on a more or less long-range basis. It seemed only now that they, looking at their obligations of yesterday with sudden mistrustful confusion, became truly aware how difficult this was to raise livestock, to sow the fields without knowing precisely and sometimes even approximately how much output would be required of them, how much feed would be left in the end, how much money could be spent on wages, on construction, on the purchase of machinery.

"Blessed is he who visited this world in its fateful minutes!..." 1965 was the year of the March Plenum, followed by the September Plenum, which resolved to carry out a large-scale economic reform in industry of such magnitude that the question was even raised of gradually replacing the allocation [fondirovannaya] supply system with a system of wholesale trade in the means of production—there were many to whom this year seemed to be precisely one of those minutes in which much was resolved. In the next 2-3 years (beautiful, creative years!), there appeared a whole "commodity-monetary" literature that most carefully analyzed the recent past and the near future which suddenly became excitingly close.

Once again there was renewed interest in the 1920's, in what brought Lenin to the New Economic Policy, in the operation of commercial accounting under Lenin. It was specifically only now that many came to understand that private enterprise and concessions were only one, temporary, even secondary aspect of NEP and that the other, main aspect was commercial principles in the activity of state enterprises and principles under which the treasury is not responsible for the debts of trusts. V. Novozhilov saw the essence of the socialist economic management principles set down by Lenin at that time to lie in "the coordination of the personal and collective interests of producers with social interests." He considered the "system of socialist economic management on the basis of democratic centralism," which combines "planning with commodity-monetary relations and the plan with cost accounting" to be the principal content of NEP. Such evaluations of the New Economic Policy were not common. They could not fail to generate serious questions among readers regarding the historical fate of NEP and they were the subject of continuous interest to the scholar. "In the 1930's, the system for the management of our national economy was restructured," he wrote. "Centralized management grew stronger. Centralization then was objectively conditioned by the need for rapid industrialization when resources were scarce (the greater the scarcity of resources compared with the need for them, the more important is the centralization of their distribution). But as usually happens, excessive 'costs' accompanied centralization. In planning practice, these 'costs' were expressed in the insufficient accounting of economic laws (i. e., in voluntarism in planning). In science, the costs of centralization were expressed in the development of dogmatism, in the tendency to restrict the functions of economic science to the task of explaining and propagandizing practice."

Those who believed that trade relations should also be such in both form and essence in the national economy in the second half of the century were called commodityists [tovarniki]. Those who continued to think that the present trade of socialist enterprises with one another was an absurdity because all of them had one owner in the person of the state, that the only important thing was that this owner manage them intelligently were called non-commodityists [netovarniki]. At that time, these definitions were used quite widely. Later, they were encountered less frequently, perhaps because the boundaries between these two basic groups of economists gradually eroded and there appeared people who adhered to what could be called intermediate positions. But the essence of the disagreements has not changed to this very day. For the sake of visuality, even now the commodityists could be called "merchants" and their adversaries—"cavalrymen." Both names originated directly with Lenin: the first referred to his estimation of the merits of the merchants' methods of management; the second—to his unflattering opinion of those who approach everything economic, political and cultural administratively, using the methods of a cavalry charge. To be sure, "merchants" and "cavalrymen" are both terms that do not have a modern ring to them—for a long time, there have been neither merchants nor cavalry, but (1) there are no comparisons that do not have certain flaws; and (2) the fact that both names are somewhat out of date successfully emphasizes the historical roots of the still ongoing struggle of view and approaches.

The basic "cavalry" prejudice from which everything else emanates continues to affect the fate of objective economic laws under socialism. As long as the words "objective economic laws" are uttered without explanation, the "cavalryman's" mind with schoolboy submissiveness swallows these words and at the very least digests them after lazily chewing them. But the instant these words are deciphered for him and he is told, for example, that the objective economic laws are properties and phenomena in economic life that do not depend on people, no matter how conscientious, well grounded and important we might be, that the law of value is manifested in price, but not in the price that is written on the tag of a product, but in the actual sale price of the product if it is sold or could be sold if it were not for the high price tag; that it is in principle impossible to calculate value on the basis of production costs as is the case at present; that Marx proved this impossibility theoretically; and that our practical workers prove this impossibility every day from 9 in the morning till 6 in the evening, he puts up his guard. Our good "horseman," who is almost instinctively confident of his power over animate and inanimate nature, over all its laws at the same time trembles in fear—he is afraid of slipping into the kind of capitalism that is conjured up for him by the words: trade, profit, commodity, commodity-monetary relations, by the idea—self-evident to the "merchant"—that value cannot be calculated, but can be learned in the marketplace from the seller and the buyer, from the supplier and receiver of a good—only after they have haggled and agreed on a price.

The non-commodityist continues to consider the strict directive, with intimidating seals, that spells everything out—to produce a certain thing in a certain quantity, at a certain time, to ship it to a certain place for a certain price, ordering officials to pay a certain amount, to keep a certain amount, to obtain from a certain source everything required to produce a certain product at a certain time for certain prices to be the only possible,

permissible, initially unflawed plan. All these "certains" in the plans annually assigned to enterprises run into the many thousands and fill very thick volumes. One such volume was demonstrated at the famous conference on problems of scientific-technical progress held at the CPSU Central Committee in summer 1985 and was subjected to sharp criticism by the conference. Professor G. Bespakhotnyy calculated for PRAVDA that agriculture had been assigned "more than 700 indicators for the production, procurement and sales of products, approximately 400 associated with the use of capital investments, and more than 100—with labor, wages and finance."

The non-commodityists, who were probably more active than anyone else in the discussion and explanation of the decisions made in 1965, were usually at a loss to explain convincingly what was happening in economic life and the sources of mismanagement, shortages and commodity gluts. To them, everything boiled down to one thing: inept planners, irresponsible managers ("only irresponsibility can explain" . . .), and unconscientious performers—and therefore the "cavalrymen" proposed nothing, no new measures of any kind with the exception of personnel changes and increased emphasis on explanatory work. And, of course, they also pulled the "merchants" up sharp and used them to frighten the honest people, suggesting that they were steering us wrong. The commodityists, the "merchants"—those who, to the contrary, explained shortcomings fully in accordance with the "commodity" spirit of March and September, without splitting hairs, without losing contact with the land, cited examples that anyone could continue concerning procedures that nullified the results of even good work.

During those years, Professor M. P. Makarova lived, wrote her articles and taught at the Academy of Social Sciences under the CPSU Central Committee. She declared in 1958 that there was nothing to the idea that all that needed to be done to put an end to such a phenomenon as the scarcity of certain, essential goods and the overabundance of other, superfluous goods was to increase production and expand the product mix. To the contrary, she made her readers and students understand that with the growth of production and the expansion of the product mix, the only change would be in the structure of scarcity, that the phenomenon itself would not disappear and would even intensify from one day to the next. And so it goes until we understand that under socialism there is no contradiction between concrete and abstract labor, that all work in our country is necessary for the simple reason that it is planned and once it has been planned must be remunerated: the warehouse may be filled with unsalable dresses, a machine may fall apart just after it comes off the assembly line, but the labor that has been expended on these rags and these piles of iron must be reimbursed by the treasury and no one must be passed over on payday as a result. It turns out that the *raison d'être* for socialism is that we receive money for our labor not after it has been acknowledged by the customer, but before, long before; the most important thing is that it has been acknowledged (envisaged) by the planner...

Some of those who were studying at the academy at that time are now in charge of entire branches. Some of them remember how confused they were by that bolshevik scholar's merciless predictions and how strange her speeches seemed: on the one hand, there was scientific character (abstract labor, concrete labor . . .) and academic reliability and on the other hand such simplicity, such

vitality that try as you may you couldn't get around her. After all, if the consumer pays beforehand, he can really be left holding the bag if there is a contradiction between some kind of abstract labor and some kind of concrete labor, and if there is no contradiction, one does not have to expect high quality and the necessary quantity.

Makarova's pupils frequently remember their teacher not only because the years have proven her right, but also because they can still open the newspaper and read how another doctor of economics is demanding that Gosplan allocate funds for such-and-such and "for the elimination of shortage," as one of them phrased it, still not suspecting that instead of one eliminated shortage there will immediately appear five new shortages; not knowing that the mechanics of this were studied by economists many years ago immediately after "War Communism." It was shown specifically then how the anarchy of a commodity economy is replaced by the anarchy of a non-commodity economy, only in the first instance it assumes the form of universal abundance and in the latter instance—universal scarcity. L. Kritsman, author of the book "Geroicheskiy period velikoy russkoy revolyutsii" [The Heroic Period of the Great Russian Revolution] (1921), called the latter instance the "anarchy of supply," which only intensifies if the production of scarce goods is assigned top priority and if resources are allocated for such production accordingly: then the other types of production will be placed on a starvation diet and other things that were plentiful only yesterday will become scarce.

"Artificial breaches in the boundaries of a given type of production, the gap between supply and the production organs, the numerous levels of guardianship—all this ultimately gave production programs the character of irresponsible projects that may have been devised with good intentions, but that are left hanging in mid-air from an economic point of view." These lines were written by Gleb Maksimilianovich Krzhizhanovskiy who also offered a uniquely precise, comprehensible explanation of what administrative management of the economy means. Looking at these plans more closely, one can see, he wrote, that their compilers "unconditionally assume that state power is a miraculous force," i. e., that the good intentions of planners translated into orders to the lower strata were capable of creating everything from nothing.

It became clear that planning that does not reckon with the consumer is the same at all times. No matter how small and weak or, conversely, how large and powerful the army of planners might be, they will not take the place of the consumer and the ultimate result will be: that which no one needs is planned and produced, or is not planned but is produced and that which everyone needs is not planned and is not produced or is planned but is not produced. Only Karl Rodbertus (1805-1875), as behooves a vulgar economist and proper Prussian, was confident that the "socialist" leadership could easily take the place of the accursed market and prescribe the purchase and sale price for everything in the state subordinate to it. Friederich Engels had a big laugh in this regard, but "what guarantee do we have that every product will be produced in the necessary quantity and not more, that we will not have a need for bread and meat while suffocating under mountains of beet sugar and drowning in potato vodka or that we will not experience a shortage of trousers to cover our nudity in the midst of millions of trouser buttons."

For many years, an enormous sign has warned vehicle drivers and passengers crossing the Kursk Oblast line on the Moscow-Simferopol highway that it is prohibited to haul potatoes out of the Kursk area. Not every oblast had acquired such a large signboard built to last for centuries. Many places are more economical in their expenditure of construction materials, but this does not mean that the Kursk "cavalrymen" are worse than Sakhalin "cavalrymen"; the point is not what they are like but that they are the ones designated to manage the production and distribution sphere. Therefore the free movement of products throughout the country is hindered by numerous restrictions. The sense of these restrictions is that trade relations shall not develop, shall not deprive the official busy with the distribution of people of his piece of bread.

V. Medvedev, doctor of economic sciences, argued that when Lenin demanded commercial accounting, he was concerned not only with commodity turnover between town and country, as is commonly thought, but was also interested in the "internal requirements of state industry." The most important of these internal requirements was the satisfaction of the material incentives of the working people. Medvedev's book "Zakon stoimosti i materialnye stimuly sotsialisticheskogo proizvodstva" [The Law of Value and Material Incentives in Socialist Production] makes a special study of the law of value and material incentives. The author showed that the most effective and correct material incentives are those that take into account the "sentences," requirements and features of the internal socialist market. He believed that distribution on the basis of labor must without fail be combined with distribution "based on value." After all, the law of value, if its demands are not breached, "creates an incentive to reduce individual costs, including per unit wage costs compared with socially necessary costs, and thus in increasing net income as well."

Attempts to "abolish" or "circumvent" objective economic laws have a harmful impact not only on production—morals are compromised, discipline declines; economists sizing up this relationship were much deeper in their evaluations of current reality than people who during those years developed a taste for twaddle about the weakening of family and other pillars, dreamed silently, and when they could, aloud about green porridge [zelenaya kasha] for grownups as the most reliable way of solving all problems.

The commodityists wrote that the application of plan indicators not based on the signals of the marketplace and the certainty of economic managers that they themselves are competent to guess and prescribe socially necessary expenditures unerringly for the production of everything generate such phenomena as the concealment of resources, distortion, the falsification of information, and arbitrariness in economic affairs. The same Professor Novozhilov showed impressive vigilance in his definition of the worst of the consequences of these procedures: not disproportions in the national economy—"they are as a rule forestalled by planned management," but "discrepancies between local and general gain," "the lack of coordination between personal and local interests and social interests, between cost accounting and the plan," i. e., mismanagement, departmentalism, localistic tendencies, eye-wash—if one speaks about enterprises, branches and localities; and passivity, self-seeking, slipshod work, and dependence—if we

speak about individual workers. "The effectiveness of coordinating personal material interests with social interests is enormous. Costly coercive measures vanish and the incentives for opposing the plan are replaced by incentives for promoting the plan," he wrote, demonstrating that entirely concrete politico-economic measures rather than appeals and persuasion (to love labor, nature, the family hearth, the old days, home truth) are needed to raise moral standards and to "improve" people. There were recent examples of this point: the March and September plenums of the CPSU Central Committee with their indicated and already partially implemented reform program.

The socialism of thought during those 2 or 3 wonderful, anxious years developed into a living tree with a strong, straight trunk, free branches and abundant leafage and anyone growing to manhood under this tree will always have a calm, cheerful spirit and a sober--and therefore bright!--view of things.

Many economists quickly agreed on the most important point--that only commodity production, i. e., production that is aimed at the consumer, can be successful. They also did a magnificent job of assimilating and explaining to the public the reasons why commercial accounting is necessary: why it did not permit anyone to appreciably exceed socially necessary labor expenditures. They amicably discussed specific question of management under the new conditions, reflected on what should follow the first emergency measures and on which of them should be revised, redefined and developed. A. Kassirov argued the "feasibility and possibility" of a cost accounting system in which "kolkhozes and sovkhozes will be assigned targets only for the total net income (profit) that is to be paid to the state." The practical aspects of this major effort were elaborated in detail. V. Venzher, for example, spoke of the gradual increase in the share of kolkhoz output that the kolkhozes would sell to the state voluntarily and stated that "conditions will be prepared in the future for the kolkhozes' transition to a system of mandatory sale of all their commodity output." The tone of this scholar, whose book "Kolkhoznyy stroy na sovremennoy etape" [The Kolkhoz System in the Present Stage] appeared on the counters at that very time and immediately became widely renowned, was quietly imposing: "...the development of the internal socialist market, in the sense of direct trade relations between industrial and agricultural, state and cooperative enterprises, is the most important national economic problem. Since it will have to be resolved eventually, it is better to resolve it sooner, without long delay."

Venzher complained that "practical workers, being under the influence of the old (non-commodity.—A. S.) ideas, are not yet very open to this conviction" and was, unfortunately, right. But among them, there were also such people in remote, rural areas whose pronouncements were noteworthy for the brilliant maturity of politico-economic thought and the threadbareness of their specific proposals. Hailing the decisions of the March Plenum, Terentiy Maltsev wrote in PRAVDA: "We believe that a firm sales plan is the transitional step to purely economic management techniques without the residue of mandatory measures."

The publication of the magnum opus of Professor V. V. Novozhilov, winner of the Lenin Prize for his work in economics, in 1967 was an exciting event in our intellectual life during those years.

While the book was strictly scientific and addressed to economists, its basic premises were comprehensible to any person having a keen interest in social problems rather than a fake college diploma. Its modest, businesslike title "Problems in the Measurement of Expenditures and Results in Optimal Planning" concealed a fundamental study of the political economy of socialism. In the course of his presentation, the author did not need formulas, tables, and special calculations. The text was publicism at its best: clean, precise and compressed. For problems and phenomena, to which we devoted the lower half of newspaper pages and entire notebooks in small print in thick journals, the scientist sometimes needed only several lines but what lines they were!

"It is difficult to conceive of a more serious error in economic calculations than the confusion of income and expenditure, of results and costs. Nevertheless, elements of this error are contained in the most widespread modes of measuring the results of live labor...An error that is incorporated into a plan acquires the power of law for all executors of the plan has an impact on millions of people, compelling them to count expenditures as income and the lowering of product quality as a benefit."

He argued that the measurement of costs and results is the key problem of economic science and practice, that all other problems emanate from or converge in it. The methods used to measure costs and results can be used as the basis for judging the progress of an economy, its sophistication, the spirit in which it educates people, the procedures, habits, customs and unwritten rules that are a part of their everyday life.

"The application of incorrect methods of measuring costs and results orients economic activity toward excessive costs, toward the race for imaginary results; generates contradictions between cost accounting and the plan; makes distribution according to labor difficult; and hinders the democratization of the management of the national economy and the development of the creative initiative of the working masses."

To speak of changes in costs and results is to speak first of all about prices, about how they are established and toward what they are aimed; how to see to it that prices create neither shortages nor gluts, that they calmly and confidently maintain the balance between supply and demand; this is more important in trade between enterprises than in retail trade; in full-fledged cost accounting, "supply and demand parity" prices ensure such distribution between enterprises, in which these resources are used most effectively, and overall minimum costs in the production of the final product in the national economy."

Administrative management techniques dominate economic techniques when prices, deviating from socially necessary costs, prompt enterprises to do things that are entirely contrary to the demands of the plan-directive. Then the directive has to be reinforced by "sufficiently energetic sanctions" even though "as many centuries of economic experience shows, administrative

sanctions are a less effective production incentive than economic or moral interest." Novozhilov regarded the "democratization of the planned economy" as the urgent, historically important task. His scientific activity boiled down to explaining what this is and how this should be done—how this will inevitably be done! Strictly speaking, his scientific activity consisted therein; this was his scientific and civic feat. The democratization of the planned economy means making the "plan-directive" into a "plan-economic imperative" for each labor collective, i. e., into "a directive, the optimal fulfillment of which coincides with the personal interests of all performers."

There is but one road to the "plan-imperative": the development of democratic centralism. There is no choice here, or, rather, the choice is predetermined by the very essence of the matter, by the fact that the point at issue is the primary, vital interests and needs of millions: work, wages, supply. These are of concern to everyone. Consequently, everyone should have the right to be heard and, on the other hand, no one should be allowed to outshout everyone else. The "two-sided development of democratic centralism—both in the direction of democratization and in the direction of the centralization of economic management," a situation in which all economic issues (down to the pettiest) are resolved on the basis of cooperation at the central and local level—corresponds to this demand).

This was the most important premise of Novozhilov both as an economist and as a political thinker. It was his principal lesson, his legacy to the commodityists: that one should not go to the extreme that is the opposite of the "cavalry" position—from all-embracing centralism to stupidly ecstatic, boundless democratism. Only the combination of the two principles, only that!...Of course we, his first readers, agreed, but "down to the pettiest"! Does this mean that even the question of the number of watchmen there should be on a Kamchatka sovkhoz would ideally (!!) be decided on the basis of an agreement with Moscow? Yes, that was Novozhilov's teaching, specifically in that way—not on the basis of direct orders from Moscow, as had been the case to date, but on the basis of agreement with Moscow—the only question was the nature of this agreement, its economic content and its political form. Novozhilov introduced a concept that the "cavalrymen" have not matured to up to now—the concept of indirect centralization.

"Direct centralization consists in the planning center's specific resolution of the questions of a given class." It is an order, a regulation, an instruction. Indirect centralization, however, "consists in the establishment of such norms for the calculation of costs and results with the aid of which places that are guided by the principle 'maximum results, minimum costs' can by themselves find the variants that best correspond to the national economic plan." That is, the participation of Moscow in the decision of the number of watchmen in Kamchatka can and should consist in Moscow's establishment of such economic norms that it will be disadvantageous for the sovkhoz to have more watchmen (or other personnel) than absolutely necessary. "Indirect centralization," the professor emphasized, "is essential in both a socialist and a communist economy. It has the remarkable property that it subordinates literally all local decisions, including the decision of the pettiest questions, to the plan, because all economic questions are decided by comparing costs and results." Only in this way, through the combination of

the "regulatory functions of commodity-monetary relations with planned regulation" and the coordination of cost accounting with the plan is it possible to "transform organs of planning and accounting into organs of social self-government in the future."

Specialists who set themselves the goal of dotting all the i's and telling all naturally asked: was it necessary to do agriculture out of its share for so long in favor of industry? Was it necessary to prohibit commodity relations, mutually profitable trade in industry itself for such a long time? What came of this and what led to what? Did the reappraisal of methods based on orders lead to the curtailment of commodity relations or did the curtailment of commodity relations lead to the reappraisal of methods based on orders? Writing in VOPROSY EKONOMIKI, M. Kolganov argued that commercial accounting was disregarded of necessity in order to limit personal consumption and to "mobilize the ever increasing volume of accumulation primarily for the development of heavy industry." To be sure, even in this old point of view, which to many seemed indisputable, there was something new. The most important point was admitted: that nonequivalent exchange and economic management based on orders "hinder the material stimulation of production of various products and the enhancement of labor productivity." The reader who remembered well that according to Lenin labor productivity is the main point in the competition between capitalism and socialism must ask: how can that which hinders the most important aspect of the victory of socialism be necessary and for a "long time?"

M. Kolganov represented those who believed that everthing real was rational, that the administrative management of the national economy corresponded to the known level of the productive forces. This had a soothing effect and fit the truism: production relations always lag, this is natural, nothing special happened, everything was correct before and after the March Plenum, that production relations lagged, hindering the growth of agriculture, and that it was correctly decided to catch up with them so as not to hinder the growth of agriculture any longer. I. Moiseyev, a corresponding member of VASKhNIL [All-Union Academy of Agricultural Sciences im. V. I. Lenin], in his answer to M. Kolganov, effectively demonstrated that this "Hegelian" attitude toward the time before March, in which what appears to be so much patriotism is essentially the downgrading of the political significance of measures taken by the party—adopted supposedly without struggle, in the normal working routine, virtually in accordance with a certain plan of measures compiled long ago. No, he wrote, "the prolonged application of the previous system of economic relations is associated with an incorrect understanding of the theory and practice of the socialist economy. With forgetting to a certain degree the principles of socialist management developed by Lenin." The fact of the matter is that "his teaching on the principles of organization of the socialist economy on the basis of the use of commodity-monetary relations were erroneously applied only to the transitional period between capitalism and socialism. Hence the underevaluation of commodity-monetary relations and the attempt to defame them."

The word "defame" is very interesting here. Specifically defame--to brand them with the mark of capitalism, to create the idea of them as something vile, something smelling of hucksterism and money-grubbing, and the power of

money over people. This was a manifestation of communist self-deceit [komchvanstvo], to which hypocrisy was also added: we have everything on an ideological and not a commercial (fie!) basis! In these pronouncements, one alternately felt the desire to "correct" the new line before it had entirely taken root and reproachful confusion regarding how to explain it to the Central Committee itself. These explanations struck some as too candid—just like back in 1953. In 1953, it was not said that the decisions of the September Plenum (to raise purchase prices sharply, to reduce the tax burden under which agriculture was drooping and to reduce administrative guardianship over agriculture) brought production relations closer to the productive forces, that the changing situation was taken into account, that there was no longer a need to obtain products almost gratis from kolkhozes and sovkhozes, no, such a concession was not made to the "Hegelian cavalrymen." The discussion was stern and direct: errors were corrected, the deviation from Leninist principles of material incentive was halted, and this was done not because the treasury accumulated funds as long as it received agricultural raw materials practically free, but so that they would finally appear and begin to accumulate, in other words so that the law of value would cease to operate as a spontaneous destructive force and would begin to operate as a conscious force. The same took place in March 1965: it was said that the deviation from the policy of 1953 was halted.

The very directness with which the adopted measures were announced every time was evidence that they were the result of serious struggle. The word "struggle," which flashes in the newspapers, is not so out of place if is understood to mean "for life"; indeed there is a struggle everywhere in theory and in practice. If there was deviation from the course of 1953 (and subsequently from the course of 1965 as well), this means that there were people and there were forces that either tried to effect deviation and succeeded in some measure or did not wish to (could not...) implement the new line sufficiently persistently and ably, to defend it and—above all!—to develop it. At that time, there was clear mention about the dramatic change that was taking place in internal life and of the fact that one must expect not only successes but also intensive struggle—after all, the old lines are not obliterated, do not die out all at once; they still live a long time in numerous orders, customs and habits; about this inertia, about the fact that it is a real force and a serious threat.

In the history of this struggle, a curious page is associated with the name of economist N. Petrakov (now a corresponding member of the USSR Academy of Sciences). In 1973, he wrote an article entitled "Myths of 'Market Socialism' and Economic Reality," which was printed in PROBLEMY MIRA I SOTSIALIZMA. This publication was important and, to a certain degree, spicy because non-commodityist economists at that time had given Petrakov a solid reputation as one of the most fervent advocates of spontaneity in Soviet economics. And it was specifically this scholar—he personally rather than any of his expositors, who considered themselves experts at combating the ideas of "market socialism" and who were already claiming in annuity for doing so—that undertook the direct critical analysis of these very ideas. The reading public was shown that the "cavalrymen" essentially espoused the same errors and fictions as Western liberals who are armchair improvers of socialism. Both one and the other were confused by "the similarity of the forms of cost accounting and the

economic accounting practices of capitalist enterprises" as Novozhilov had written in his day. Neither understood the difference between market categories in the West and the value indicators bearing the same names in our country: profit, profitability, rent payments, credit, payments for capital. The important question, Petrakov wrote, is "who articulates the goals of socio-economic development and in the name of what technical progress is carried out." It was the lot of vulgar economists of all times not to understand such things, regardless of whether they were left-wing, right-wing, red, white or striped. He quoted Marx as saying that "the vulgar economist cannot imagine the forms that developed in the bowels of the capitalist mode of production when they are separated and liberated from their antagonistic capitalist character."

Western liberals praise the "market choice" [rynochnyi vybor] and recommend it to us. Our non-commodityists naturally revile and reject the "market choice." However both of them are alike in one amusing respect. They forget one minor point: the "market choice" no longer exists in today's world and hence all discussion about it, both laudatory and derogatory, is empty twaddle. To claim, as vulgar economists frequently do, that our commodityists favor a "market choice" is ignorant at best. The commodityists know full well about the dominance of monopolies which killed the free competition that once existed. Monopolies that concentrate capital in their hands, Petrakov wrote, "to a certain degree resolve the problem of resources for large-scale programs of scientific-technical development requiring large one-time investments and a long development and assimilation period." Systematicness [plannomernost] makes its way even under capitalism even though the national economic system remains anarchistic on the whole. The public must think the commodityist is a real simpleton if it says that he is opposed to the plan under the conditions of public ownership!

Bourgeois scholars have long agreed with representatives of extreme left-wing, Trotskyite groupings that real socialism is not the "plan and the marketplace," but is only the "plan." N. Petrakov quoted contemporary Western Trotskyite E. Mandel as saying that "commodity relations, at least in certain branches, may be liquidated at least in some branches in the developed socialist countries" because the "products of labor in socialist society are not of a directly social nature and have no value." It was no joy to read this. After all, it was possible to open a book...for example, by M. Sokolov, our doctor of economic sciences: "Tseny i tsenoobrazovanie na selskokhoziaistvennye produkty" [Prices and Pricing of Agricultural Products] published by Moscow State University, and find the same things in it in black and white: prices under socialism are an accounting aid and merely "perform an accounting and distribution function." And how many of them there were: such books, textbooks, and articles; such lectures and such discourse on the adoption of many economic decisions! Novozhilov also wrote: "The idea of limiting the law of value to the plan is still the dominant opinion of Soviet economists. "It is assumed that the law of value in certain respects is confined to the plan...." And gave us to understand: "One of the two. If the law of value is operative in a socialist economy. But if it is operative, it cannot be limited. Nor can the plan limit the law of value just as it cannot limit the law of gravity or the fact that the square of the hypotenuse of a right triangle equals the sum of the squares of the lengths of the other

two sides." Time and time again, he named the "lag of agriculture, the irrational use of the means of production, errors in the siting of production, and the construction of unprofitable enterprises" among the consequences of the attempts to limit the law of value.

These consequences also made themselves known after 1965.

Administrative levers were even stronger and, what particularly alarmed the commodityists, could intensify at any moment. Economic life offered many temptations to grasp the wrong lever—not at new lever, but an old, customary lever. In March 1965, when the decision was made to assign the farms stable, lowered five-year plans, the belief was that these plans would be greatly overfulfilled: after all, a price 1.5 higher than the norm was set on grain produced in excess of the plan. And what actually happened? What was the picture of procurement under conditions in which kolkhozes and sovkhozes were not placed under any particular pressure, were not required to deliver so-and-so much to the elevator by a certain date or hour? There was total chaos in such unplanned procurement. One farm sold half of its harvest, another, neighboring farm—one-fourth, a third farm—one-fifth. In the North Caucasus, for example, the percent of participation ranged from 30 to 70 percent! This picture presented a great danger. There were those who decided that the economic levers showed their insolvency, that money, even good money, is not capable of influencing our farms as convincingly as the usual naked command: "Let's have it!" In accordance with this conclusion, the practice of assigning food allocation targets [prodrazverstochnaya praktika zadaniy], which were changed almost every week thereby resulting in an ever greater departure from the line of the March Plenum. Since money—big money!—does not inspire farms to sell grain in large volume, money is not the factor...Another conclusion is that it is the wrong kind of money. The question that naturally suggests itself is: "What can one buy with this money?" And as often happens in the case of conclusions that are close to hand, the road to it may be protracted for decades.

Economist Gennadiy Lisichkin described the curious and characteristic drama he found when he examined the economic life of the North Caucasus in one of his articles in the 1960's. In one corner (equal in size to some European countries) where there is an abundance of sunshine and chernozem and a relative abundance of moisture, kolkhozes found it very profitable to grow wheat and unprofitable to engage in sheep and dairy farming despite the new, higher prices on meat and milk. In another corner, where there is an abundance of natural pastureland, where the soil is poor, where the land is so steep that not every combine operator will venture to harvest the grain, the situation is reversed: animal husbandry was profitable and wheat was unprofitable; grain was produced at too high a price. So it was that in the corner where wheat production was profitable, the kolkhozes were ordered to develop animal husbandry and to cut back on grain farming, and to divert "wheat" land to fodder crops. The corner where animal husbandry was profitable was forced to develop grain farming and to plow up pastureland to the detriment of sheep and cows.

This was no one's stupidity, ignorance or irresponsibility, even though not every reader could agree with this, imagining how the kolkhozes and sovkhozes

in the one corner ask year after year: let us plant more wheat and keep fewer sheep while the other kolkhozes and sovkhozes in the other corner ask: let us keep more sheep and plant less wheat and to hear in reply that the Motherland needs mutton from the former even though mutton is unprofitable to them and that it needs wheat from the latter even though wheat is unprofitable to them. This was not anyone's stupidity, but something worse--the principle of planning based "based on the existing level" in action--the strongest expression of the view of agriculture as something dead, that does not depend on nature and is not associated with it. "This is a planning technique in which a certain average percent of growth is mechanically added to last year's attained indicator and this sum is approved as the target for the coming year." Such planning encourages managers to feign poverty before planning agencies, to conceal reserves, but that is not all. "Based on the existing level" means that if for some reason, occasionally by chance, cabbage is planted instead of wheat, this cabbage will be planted forever: the very mechanism of such planning sees to it that the structure of a farm, the crops and types of livestock, and the proportions of production remain stable, and no mercy can be expected from it.

We know that even in Georgia, tangerines are not grown in all rayons. In one such rayon, the local authorities once took from a second-hand dealer 20 tons of tangerines delivered from the vicinity of Gagra and sold them to the state. Thus, in the report on the fulfillment of that rayon's annual plan of socioeconomic development, there appeared the line: "Tangerines. Plan (in tons)--0. Sales to state--20. Percent of fulfillment--100." The next year, the rayon's quota was 23 tons. If this is a legend, it is still very, very close to the truth.

In 1967 there was a brief, but exceptionally heated debate on avenues of agricultural development. It was initiated by L. Yefremov, who was at that time one of Stavropol Kray's leaders. The echo of the struggle, that had taken place long ago between the two schools, if we use that indistinct word, reached the general public (from a SELSKAYA ZHIZN article written by Yefremov, et al, and an article written in response by G. Lisichkin and published in NOVYY MIR). The school that Lisichkin represented proposed finding all inputs and outputs in the area of production relations through what is presently called the economic mechanism. This was the economic path. The school represented by Yefremov opposed these views. It did not see any flaws whatsoever in production relations; it was entirely satisfied with the economic mechanism; it considered all reality rational and everything rational real; the problem was to work better rather than to split hairs. The March Plenum declared the intention to "promote the all-round development of commodity relations" and to "promote free purchases." Thus such measures as the strengthening of the ruble, contracting, wholesale trade, and pricing based on socially necessary expenditures--everything without which not only the all-round, but even the barely perceptible, gradual development of commodity relations are inconceivable--naturally suggested themselves. L. Yefremov called the discussion of these measures "the fetishization of commodity-monetary relations." The direction of his criticism here, too, was also clear: free procurement.

On this point, as PRAVDA would write 16 years later, there was also a deviation from the March policy. Once again, one could only dream about free procurement. As before, kolkhozes and sovkhozes could sell Moldavian grapes only in Moldavia, which already had an abundance of grapes. No manner of independent shipments to the Urals or the North were permitted. The same also applied to fruit and vegetables. The explanation for this and all these constraints on trade, the result of which up to half of the fruit and vegetable harvest was either fed to livestock or perished was that the state could better see what was distributed and how it was distributed in accordance with the "basic," "higher" or other special interests of all society. While it was more difficult to fight against prices on agricultural products that were raised on the basis of the decision of the March Plenum, the "cavalrymen" also ultimately prevailed here too. The increase in the purchase prices was gradually nullified by the rise in selling prices on machinery, fertilizers, construction materials and fuel.

The commodityists were for reforms plus capital investments; the "cavalrymen" were for capital investments without any kind of economic reforms. Like Yefremov, they persistently demanded for agriculture that which could be felt with one's hands—primarily machinery. The politico-economic approach was opposed by the administrative-technical approach. The "cavalrymen" advanced no ideas whatsoever, proposed no improvements and changes whatsoever. All they did was hold out their hand to the state: give us this, give us that, and everything will be fine. Much, very much was given. Capital investments under the 11th Five-Year Plan reached the fantastic sum of 170 billion rubles, but the return on every hundred rubles spent on machinery, fertilizers and construction materials continued to decline.

The debate between the "merchants" and the "cavalrymen" proved to be far from over.

The figure of the "horseman" confronted us with particular frequency in the hills of Moldavia in the 1970's. It was specifically his bold hand that could be divined in the steady, seemingly unaccountable striving to reduce the interkolkhoz cooperative movement that had begun there to the framework of conventional administrative relations. It was specifically his nature and philosophy that were manifested in this specific inability to take into account the fact that live life (zhivaya zhizn) is live life, to rely primarily on interests and natural features, be they the interests and natural features of man, the economy or a locality. One could not but welcome the transition from "the board of a kolkhoz to the board of kolkhozes," to elected kolkhoz councils that assembled to to devise common management policy and in which, according to the idea, the decisive word belonged to kolkhoz chairmen. At the same time, there was a difference that became more substantial between what should have been "according to the idea", what happened initially and what happened later. For example, money of the general use fund was almost immediately taken from the kolkhozes based on direct orders of the republic kolkhoz council. If kolkhoz money was not disposed of by the kolkhoz itself, things could not be expected to make sense. This means that the kolkhoz council in which everything was resolved by chairmen no longer exists. It operates under the guise of a most ordinary administrative institution in which everything is decided by one or two persons and this means that they,

too, decide nothing. Everything is run by unknown, inconspicuous, almost incorporeal employees and a technical staff whose vital interests are in no way connected with field and farm. Never, under no circumstances, under no pretext will a real kolkhoz council infringe upon a single kolkhoz kopeck because the members of such a council are of warm, living flesh; kolkhoz chairmen know that the common fund will not be indifferent to the kolkhoz when it itself absolutely voluntarily, having a hundred times pondered this and that, decides to participate in it with its own kopeck; the common fund, to which the kolkhozes are indifferent, is money that has been thrown away: no good will come of it.

One does not require the wisdom of Solomon to know better than to drive a thousand head of scrub cattle into a palace costing five million rubles. Something else is needed: that economic affairs not be decided by a rayon aktiv that does not have a ruble of its own money and that therefore can neither lose if it forgets that meat is raised not on concrete components on farms, but on the bones of pigs, nor win if it remembers that point. Everything should be decided by the kolkhoz that has money: so that specialization with concentration and with the rest there be exclusively that of the kolkhoz and be realized by commercial means. Then, the kolkhoz, knowing that it could be ruined, would think it over a hundred times before asking for a loan of a million rubles and the bank (not the rayon aktiv, but the State Bank of the USSR!) would think a hundred times before granting the loan. The low qualifications of the people that have control of others' -- kolkhozes'--millions in Moldavia were not the cause of the failure. The reason was that they, the more or less responsible employees of more or less important institutions, specifically controlled the money of others: they breached, as the saying goes, the cost accounting activity of kolkhozes and did not reckon with their cost accounting independence.

All this was also stated most definitely in the strict language of a political document in the decree of the CPSU Central Committee (1976) on the development of specialization based on interfarm cooperation. It demanded that "undue haste not be permitted, that stages and extremes not be hurdled," warned especially against "the inadmissibility of gigantomania, the construction of economically unjustified super-large enterprises engaged in the production of meat, milk and other products" (here, it was a sentence to politico-economic adventurism) and insisted on the "preservation of the economic independence of kolkhozes and sovkhozes, other enterprises and organizations belonging to interdepartmental and agro-industrial associations." Only such independent and hence interested participants in the pooling are capable of playing the "role of yeast in a dough trough" in the industrialization of agriculture, without which the largest capital investments will give little even if total technical sophistication reigns in the administrative management of the economy: money will be invested not in walls but in feed, that fertilizers be sent to places where the land will best react to them, etc. The question of sophistication in the mandatory management of life in general makes as much sense as the question of sophistication in walking on one's hands: no matter how well we learn to walk on our hands, walking on our legs will nevertheless be better, more convenient, and faster.

When we analyze such, relatively recent "collision between the plan and cost accounting, we time and time again ask ourselves why economic methods have not penetrated economic life as deeply, how it could have been possible to expect in the mid-1960's and 20 years later, in the new Program of the CPSU, that the necessity and urgency of tasks would be emphasized: "to use commodity-monetary relations more completely in accordance with their new content under socialism?"

In this regard, we cannot fail to recall one of the premises of Professor Novozhilov regarding cost accounting. In the course of the democratization of the planned economy, he warned, it is impossible to get by without "the organization of cost accounting in management organs"—without such procedures that these organs would bear "material liability for their decisions?" And material liability can be most complete only if the results of management activity, like any other activity, are measured—after all, the measurement of "the results of the work of the individual link is the basis of cost accounting." In other words, officials of ministries and any other administrative institutions must earn their livelihood just like a lathe operator or a milkmaid on a farm. "The contribution of the highest links consists in the increase in the effect of the work of the lowest links, that is conditional upon the planning and regulatory decisions of the highest links. It is not easy to separate this increase from the profits due to the efforts of the lowest links. Nevertheless this task is solvable. The time has come to begin its solution."

Novozhilov reminded us how much attention Lenin devoted to the creation of interest and responsibility of managerial personnel. "...The Politburo unconditionally requires that the largest possible number of officials be awarded bonuses for increasing the volume of production promptly in both domestic and foreign trade," Lenin wrote in the Draft Directives of the Politburo of the Central Committee of the Russian Communist Party (of Bolsheviks) on the New Economic Policy. The New Economic Policy would not have been new if it had been based on the "War Communism" system of fixed salaries. Novozhilov emphasized over and over that cost accounting and fixed salaries are incompatible. "An enterprise's cost accounting can be complete only if the highest links of production (main administrations, ministries) bear the responsibility for the diminished effectiveness of its (the enterprise's) work. Only if cost accounting embraces all production links of the system of vertical subordination can the performance of every link be measured objectively."

There were many who did not want this embrace which presented a danger to many. And people usually try to avoid danger....An employee who receives a fixed salary, even though he does a good job, and an employees who is merely earning his livelihood are two different breeds of people. The first is always ready and always capable of continuing such phenomena as red tape and subjectivism (why not say it: procrastination, arbitrariness, ad-libbing?), while the second is not. Novozhilov was right when he spoke of the inability of many of his contemporaries to see the difference between capitalist profits and the profits of a socialist enterprise, as a result of which they fear "commercial" procedures; it should only be added that the bureaucrat and indeed any employee to whom the firmness of his salary is dearer than anything

in the world, cannot see this difference and simply finds it advantageous to persist in this "leftist" rejection of the law of value.

But there is probably more to it than that—there is more to it than the fact that the bureaucrat has a direct vital interest in preserving administrative procedures—will be the response of anyone who knows how widespread non-commodityist concepts and how strong and persistent anti-commodityist sentiments are among us. A hundred years ago, A. N. Engelhardt described the reaction of Dorogobuzh peasants upon being told to pay their taxes sooner. "The tsar needs money!," they were told. "The tsar has lots of money," the peasants replied imperturbably. "If he doesn't have enough, let him print all he wants." The present population's attitude toward money—what money is, why it exists, how to use it—is also very illustrative. The belief is that money can do everything. For example, not only to pay a person for his work, but also to show him what he should and should not spend it on, to sell him not what he wants to buy but that which is decided by the authorities, the administration or the community.

"I realize that our society cannot provide all people with fashionable, beautiful clothing as yet," writes Tatyana Agapova, a 20-year old Rostov lathe operator, to KOMSOMOLSKAYA PRAVDA. "But it doesn't have to do this for everyone. We only need to make all goods available to those who deserve it, specifically the workers deserve this more than the others. Why not build one or two stores on the plant's grounds just for the plant's workers and supply them first of all?" Thought in the spirit of "War Communism" in this letter is expressed with astonishing purity and directness. Since a person is dressed and shod not by tailors and shoemakers for his money, at his order, in keeping with his taste and whims, while society (that is, the authorities, the leadership) sees nothing strange in this idea, that this need not be done for everyone, that clients can be selected, sorted and arrayed in order, that some can be dressed better right now and others can be dressed not as nicely and some time later. Since "all goods" will be expended under these conditions and the word "trade" will be out of place, and it is not by chance that Tatyana Agapova uses other words that express the essence of the matter more precisely: "make available," "supply." A commodityist would tell lathe operator Agapova that workers unquestionably deserve "all goods." The only problem is that the undermining of the authority of the sale of the best goods not to one and all but on a selective basis—this is a concession to the same product exchange "that nothing came of," to "War Communism" that was good to everything with the exception of that which hindered the growth of production, which procreated dependents and slackers.

To undermine the authority of money means to undermine wages. After all, if one person buys one thing for his money and another person cannot buy the same thing for money, this is not the same money. This means that payment is not made with labor, but with something else. In the hands of one and all, the ruble should have equal purchasing power, otherwise it is not a ruble, not a universal equivalent. It and only it, and not status, merit or acquaintanceship should confer access to the counter. And this is not merely a matter of simple justice. A ruble that is not a universal equivalent reduces people's material incentive to work. Some people would use their great strength and talent not to work better and consequently earn more, but to get

a better job where supply is better, whereupon there would be a gradual decline in society's respect for labor and the time would come when a person would be prized more not for how he works, but for how he is permitted to spend his money and the list he has managed to have his name recorded on. Thus with all respect for the best intentions of Tatyana Agapova, an intelligent economist would have told her, but there was none such on the paper, and a working person would have received an answer according to all the rules of verbal trick-riding: "All of us have many claims on trade but should we make them the basis of our attitude toward work? We feed on the holy spirit. Who is it that tells us about the ruble that won't buy anything, that you don't have to expect good work, that all these shortages undermine material incentive—the real, the entirely "natural" basis of socialist and communist construction?!"...

Among the "cavalrymen" there were people who honestly feared that the state might suffer "from the market." This was their pain, their truth. While they felt that they were empowered to care for the people, to watch over its highest, basic interests and to maintain the pillars of state, they at the same time thought very concretely, without the slightest separation from this minute with its pressing earthly need and the shortage of this or that and reasoned like a conscientious supplier who was always concerned and on the lookout for dirty tricks and discrepancies. What if there is suddenly a shortage that affects the state! And what if it turns out that the law of value and the wisdom based on it will...and the granaries in the fall are entirely empty?! Kolkhozes and sovkhozes got out of hand, began living by their wits, on the basis of their (market) interest—but there is nothing with which to feed the cities. The fate of procurement—our horseman's principal sorrow—is still under the influence of the impression of 1928 with its grain procurement crisis.² He fears the failure of procurement to the extent that he becomes bold to the point of impudence: the same L. Yefremov condemns the application of the words "free purchases" to the entire country and places them in quotation marks a year after they were used without quotation marks in the most positive sense in the materials of the March Plenum: "the state will protect free purchases of agricultural products." He sincerely believes that he is saving the country from disorder. This is also the explanation for his special energy. The disallowing of change and movement means leaving everything the way it is, mean risking nothing. This is policy—the policy of a conscientious official who believes that we cannot bring a spoon to our mouth without his help, after all, he is the one who decides from morning to night who shall receive this and who shall receive that. He alone knows when this is lacking here and when something must be cut there. It should be added here that this policy of active inactivity, marking time, 'borrowing from Peter to pay Paul' has its own name even though it is unknown to him: the policy of immobility....

Unconsciously and frequently consciously, as well, he places himself on one side of an imaginary barrier and kolkhozes and sovkhozes on the other. He is the boss² and kolkhozes and sovkhozes are in the nature of workers that must be closely watched. Even if now, at a time when everything is scheduled for them, they do not do this or that and it is necessary to send representatives and to declare reprimands, what will be the case if they are left to their own devices? Thus, he considers the opposing, Novozhilovist train of thought to

be harmful demagogy: if reprimands and representatives do not help, we must cease making reprimands and sending representatives and try something entirely different. The non-commodityist considers himself and only himself to be "mature," but at the same time his reasoning is childish: if a kolkhoz does not produce anything, it must be bad. The adult, truly mature view is that if a kolkhoz does not produce anything means that it is not motivated to produce. This does not occur to the "cavalryman" and when people try to drum this fact into his head, he considers himself offended to the core. You see, he wanted someone to breed sheep. You will raise sheep without me if it is profitable to you. With me, you will do what is unprofitable to you.

Article 41 of the Principles of Civil Legislation give the consumer the right to demand that an unusable product be immediately replaced, repaired free of charge, or that the purchase price be refunded. But in actuality, this must be preceded by at least five repairs. Finding that the instructions published in 1973 regarding five repairs were unlawful, PRAVDA called the attention of the USSR Procuracy to this fact. The procuracy, using the hand of N. Bazhenov, first deputy procurator general, gave a purely formal reply: there is no basis for intervention. This was a question of great political and economic importance. It is of political importance since the violation of the law affected the vital interests of millions. It is of economic importance, since as long as the consumer, as PRAVDA writes, "does not have the unconditional right to the exchange of scarce goods, it is difficult to hope for improvement in their quality." There is nothing interesting in the fact that someone could not or did not want to understand this. There is another point that is of interest. It turns out that the rule contradicting the law was adopted by the Ministry of Trade and the Committee for Standards not incidentally but "in conjunction with a number of ministries that manufacture television and radio equipment and sophisticated home appliances." On this basis, N. Bazhenov did not venture to intervene. Not only did he see nothing strange in the fact that measures against slipshod workers were obligingly coordinated with the slipshod workers themselves, to the contrary, this had a calming effect on him. There was a special consciousness, a special solidarity between the person of "state" and the treasury. There was the philosophy of the common pocket, the common interest which was understood in the narrow way—vulgarily as it is usually called. Everything that is associated with the state, that is coordinated and approved; everything that is done according to plan, circular or directive, should in one way or another be defended—especially in the face of private persons and the population whom one can never please...

For all this, it is interesting, however, that while the "cavalrymen" feel that they are obliged to care for the good of the state, they are not very excited about losses and the extravagant use of resources—every way in which directive-type planning and management sin. With our mismanagement, losses are inevitable. Losses are inevitable, but that is not bad. The main thing is not how much is lost in the course of production, in the field, for example, or on the road from the field, but how much is procured for the state. They consider losses as something alien. Their only concern that which has been harvested at any price to satisfy the needs of the moment with no thought of tomorrow. As can be inferred from his pronouncements, Yefremov personified this type of "procurement" person to the fullest. His philosophy

was the philosophy of one-time, urgent need, martial law, and food allotments. His wrath is sufficient unto the day...During rationing times, there was no thought given to production. There was no time. The most important thing was to take what was ready and already produced. When Lenin noticed this, when it became obvious that the allotment system undermined the material incentive of people and hindered production, it was abandoned. But this "socialism of feeling" that Lenin wrote about proved to be more tenacious and imperious than we thought. The "socialism of thought" ran up against the very widespread, frequently almost unaccountable conviction that the problem was not to motivate but to pursue: why search for a commercial approach to a plant producing defective products when it is possible to apply the administrative approach, i. e.: order the manager to eliminate defective production and summon workers?

The "cavalryman" knows only negative motivation. He can only understand the coercive connection of the interests of the worker and the enterprise, the enterprise and society. He does not suspect that only positive material motivation is capable of miracles, that it is more effective than the most extreme negative motivation.

There were many breakdowns at the nation's electric power plants before the war. "They were frequently the result of personnel error," PRAVDA writes. "The times were hard. Some officials, because of their lack of technical sophistication, were inclined to view all breakdowns as acts of sabotage. This evaluation was confusing and made it difficult to find the real reason." Young engineer D. G. Zhimerin came to the inspectorate for the investigation of the causes of breakdowns. At his insistence, there was a 180-degree turn: to refrain from punishing (to punish less...) for poor performance, but to reward (offer more encouragement!) for good performance. "Thus an appreciable bonus was to be awarded for fuel conservation in observance of the dispatching schedule. What is more, a 10-percent increase was established for a year of breakdown-free work, which at the end of the second trouble-free year was raised to 15 percent. But if there is trouble, you must start over from zero." That which people could not attain even under the threat of being accused of sabotage, they did attain under the conditions of a "precise, clear" system of positive—material!—interest that compelled them not only to take good care of machines but also to study actively. In a single year, the number of personnel-caused breakdowns dropped to one-fifth of the previous level, and young engineer Zhimerin was soon thereafter appointed People's Commissar of Electric Power Plants.

The dedication of the "cavalrymen" to all manner of corvée [otrabotochmyye] procedures stems from the fact that they do not believe in positive motivation. Stung by the fact that many stanitsa dwellers in the Kuban piedmont are keenly interested in raising silkworm cocoons for which the state pays well, but are extremely reluctant to take chopper in hand and go into the beet fields where the earnings are much lower, a young "cavalryman" in Gariy Nemchenko's essay "Against the Background of the Sky" (NOVYY MIR, No 3, 1985) states: "This is how it should be: if you want to raise silkworms, work a certain number of days in the field, and bring a certificate." They know the steeds of the zealous...This is a typical, poster "cavalryman" who cannot understand that anything worthwhile can be attained not by coercion,

oppression and restriction, but by encouragement and permission. The intelligent person he is talking to answers him in the words of the American saying: "The bull grows fat from his master's gaze." The whole message is that the only thing that will grow in a field where people work only to qualify for a certificate is weeds.

The difficulty that the actual principles of commercial accounting present to many can be judged on the basis of conversations about indicators. Year after year, many responsible and learned people invent and design these indicators, i. e., decide what the enterprise should report on to central authority, the points on which its performance can best be judged. This question has long been clear to the commodityist. Indicators, i. e., the signs of the good or bad performance of a plant, sovkhoz, kolkhoz, savings bank or stadium cannot be invented, conceived or designed. They must be seen in life. They must be seen, detected and discovered in actuality, and this must be done through the laws of commodity production, through a knowledge of these laws and the ability to use them for the good of the cause. These indicators, these signs are the same ones that are used to judge the material well-being of the individual. How much does he earn? It is very important that we know this in order to decide how he is doing. If we are talking about someone, we do not say how many blanks he turns out in a shift or a month if he is a turner; we speak of his earnings, his income. Since money is the universal equivalent and since commodity-monetary exchange is the highest form of exchange, the only real indicator of a plant's performance is the indicator that stems from this feature of money. Gross income and profit. "The treasury is not responsible for trusts' debts." When this principle was proclaimed, these indicators, these features stemmed specifically from it. For what did Lenin propose to judge the leadership of trusts? For producing too few gears or machines? For producing poor-quality gears and machines? No, for losses. There are losses and something is wrong with the gears. Specifically what is wrong is a detail that does not interest the treasury, the central authorities and the state. Give the treasure taxes, not gears and machines.

And they managed to complicate even this simple question. They suspect income and profit because they do not show everything, because they show the wrong things and because they do not orient the enterprise toward the production of the things for the sake of which it exists. At the same time, they lose sight of one "trifle." When Lenin said that the treasury was not responsible for the debts of trusts, it necessarily followed that the trusts have sufficient rights and latitude for their activity, that the responsibility for their performance must truly be their responsibility and not of those who command them. It would be absurd to price the product, to prescribe production volume, to designate suppliers and customers, i. e., to decide all vitally important questions for the enterprise and at the same time not to be responsible for its losses. The decision maker is the one who bears the responsibility. If a plant does not make the decisions upon which profits and losses directly depend, it has no right whatsoever to the profits and can bear no responsibility for losses. Lenin's principle "the treasury is not responsible for the trusts' debts" is both a demand and a guarantee that trusts will have sufficient economic independence. It is a demand and a guarantee of respect for the laws of commodity production. When this point was lost from view, when there was disenchantment with value indicators--in

form only—the inevitable result was the return to what mankind began with: physical indicators. The pre-monetary, primordial indicator was one that judged affluence on the basis of the size of one's herd, camp or flock.

The commodityist urges that enterprises not be hindered from striving for their natural goals, from struggling for what every participant in commodity production must struggle for: income and profit. Once you buy and sell, once you have a commodity not an in-kind economy, you must have money, income and profit. And the unity and harmony of interests is best secured through carefully weighted price regulation, loan interest and taxes, while keeping a strict count of losses from such intervention in the natural course of things and checking the correctness of every intervention against the marketplace. Those who invent indicators, who demand physical indicators do not understand the nature of money. To them, money is and is not paper. They do not understand that money serves real exchange through things of real value and all that is necessary is that the exchange be real and that the things of value be real; that money not be prevented from being money.

Thus, those who say, perhaps with a smile, that these are the Narodniks of our day are partly right. The Narodniks exaggerated the role of heroes; the "cavalmrymen" exaggerated the role of the authorities. (Incidentally, adding what to do after the heroes had overthrown the old order, the Narodniks also pinned their hopes exclusively on direct action, on commands, on the new authorities, and were genuinely offended when Plekhanov told them that they would receive "renewed tsarist despotism with a communist lining"). In the "cavalmryman" of our day, we find the same unconscious subjectivism and voluntarism as were found in the Narodnik of a hundred years ago—we are thus, we all can. In history, there is no feasibility whatsoever, only that which is desired, the same hope for direct action, the same certainty that a handful of people with the same wishes can change the environment any way they wish: introduce what is needed, eradicate the superfluous; all that is needed is the unanimous desire. This inclination to reckon not with life but with one's opinions about life, dreaminess, dissatisfaction with existing human material that is slightly soiled, that is stained with mercenariness and that is not ready to enter paradise voluntarily; the resolve to drive it there with a stick, to burn out birthmarks with a red-hot iron—this will really force us to recall no one other than utopian socialists: the same Narodniks in our country, the same Saint-Simonists in the West, the same Spartans, as Gennadiy Lisichkin once noted, in ancient Greece.

The man with the circular who has been taught what to do by progressive people in society, i. e., by lawyers, privat-docents and publicists—such is the hero of the Narodniks; it is specifically he who should lead the Russian crowd at their discretion: to forbid the growth of cities with their banks and large plants and to order craft shops where to locate, how much to produce of what, to whom they should sell and for how much; he must also keep his eye on the peasant so that he would not start planting cactuses instead of wheat or, to the contrary, wheat instead of cactuses, not according to science but according to his own ideas; naturally, all culture, everything intellectual, what the people should believe and in what way, what the people should be taught, what they should be given to read, to listen to, and watch; what customs and rules to observe (only old, only tested customs and rules), and no

divorces, for example, are entrusted to his personal bureaucratic charge. It turns out that the man with the circular was also the hero of our "cavalrymen," only, to be sure, he was taught what to do by them and not by lawyers and privat-docents.

There is no truth in defamation—no, even if one zealously follows even this rule, it is possible to overdo it. If "cavalrymen" always knew what to say about the "merchants" ("apologists of spontaneity") and were never overcautious in their choice of abusive words, the strongest thing they heard in reply was "illiteracy." Continuously clashing with the activity of the "cavalrymen," suffering together with everyone else from this activity standing in line for a bunch of radishes or dashing out to get a roll of toilet paper, the commodityists did not hasten to expose all the springs behind this activity, to show its entire historical genealogy and the whole theoretical truth, to understand the teachings and currents with which it is connected. We find several fundamental comments on this score again in the 1960's. Showing how it happened that the market was long excluded from the regulators of the national economy, our best economists at that time directly connected this with the revival of the ideas of "left-wing communism" against which Lenin fought so tenaciously in his day. It was specifically then that Professor Novozhilov, for example, quoted—virtually for the first time since NEP—Lenin's words about bureaucratic utopias. These striking words of Lenin began falling like icy rain on the hot heads of the best leaders and sons of the revolution when it finally became clear to him that to build socialism on the basis of pure enthusiasm sometimes means not building it, that it must be based primarily on material interest, on the commercial interest of enterprises and on the personal consumer interest of citizens, and on the natural desire of every person and the collective to receive just remuneration for their labor. And in the process of compiling economic plans, to count on the worst, on difficulties and failures; to hope for the best—that is the bureaucratic utopia.

Lenin last used the word "utopia" shortly before his death in the article "On Cooperation" when he saw (it came as a surprise to him even though NEP was already burgeoning) that the collective economic independence of the population under Soviet power was possible, that there would be no progress without it, that the growth of cooperation was identical to the growth of socialism, that now, with the public ownership of the basic means of production, it would be possible to realize much that was commonplace in the dreams of the great theorists of cooperation and the organizers of the phalanxes...Something in the dreams of the utopian socialists ceased to be commonplace, i. e., empty and that is very well. And what remained commonplace and will be commonplace for the ages? What should we be on our guard against?

The commonplace in the dreams of the utopian socialists continues to be bureaucratism, faith in the power of the desk, the decree, the regulation, the instruction; faith in the belief that decrees of the Central Bank, where the infallible meet, can build heaven on earth, as Saint-Simon³ believed. It was he who offered his contemporaries and posterity a plan for society built like one large factory. It was he who was the first to mentally assemble the entire nation's population at that factory for the purpose of "influencing

nature in concert" according to a "common plan," the goal of which was of course to provide every person with "maximum convenience and well-being." He did not doubt that all brigades, sectors and shops at that factory would be managed by the finest and that management (the "Central Bank") would be staffed by the best people; the director would embody perfection, genius and saintliness in one person. He would manage scientifically for the good of one and all. He would manage correctly and hence there would be no reason to check them, to criticize them, to give them mandates and advice, to call or move them at the will of the lower strata. Incidentally, they would not have so much power. After all, their orders would be of a technical nature (how to smelt steel, how to sow millet) so that the actual management would be done not by them, but by "knowledge acquired by the given time"; everything would be based on the exclusive, highest consciousness of the population--nevertheless, this consciousness must be instilled and drummed into people unceasingly. It will also be necessary to conceive a new religion and to create a new church. After all, "the more society progresses, the more it needs improvement of its religion, not just any religion but a religion of labor--poets will have to deliver first-rate educational material; oratory will be the most important of the arts; it goes without saying that the new church will be proclaimed infallible, its pastors will control behavior and "control the thoughts of people" in such a way that they would work willingly, much and well, after all there will be no other--ordinary, conventional--work incentives; material incentive--is unclean where there is no equality of property; there, noble mutual aid is replaced by cold exchange based on ready cash; there is enterprise and trade, in a word, there is the extortion that was beloved by our men and women of the sixties.

This sacred utopian hatred of extortion, profiteers and businessmen ("any donkey can become a clever huckster in one month," wrote Fourier) gave way to the attitude toward the laws of the commodity economy, toward trade that Lenin would call communist self-deceit, to a half-lordly [polubars'kiy], half-peasant [polukrestyanskiy] "socialism of feeling--embarrassing some and delighting others by so decisively bringing the lower and upper strata, slaves and masters closer together, which happens only in life.

From this same beautiful but helpless "socialism of feeling" came the childish exaggeration of the potential of direct, revolutionary action that Lenin considered virtually the only danger that lies in wait for revolutionaries--the only, but mortal danger--a danger that is even worse than mortal danger from which they may die "not in the sense of an external defeat, but rather as a result of the collapse of their cause from within." It was specifically this disease that M. S. Gorbach'ev, general secretary, CPSU Central Committee, recalled in one of his speeches: "It seems to many that the road to our goal will be shorter and simpler if we spend less time talking things over and more time giving commands." "Shorter and simpler" is another way of saying "We will not cultivate democracy." It is possible not to cultivate democracy, but then there will be no basis for counting on a considerable increase in production and on the selfsame technological progress.

You cannot refrain from taking even a fleeting look into the depths of the same "socialism of feeling" when you wonder why the "highest oblast and republic authorities" relate in such a short and simple way to the laws of a

commodity economy. Writing in PRAVDA, K. Ionov, chief of the Saratov Trade Administration, stated that these authorities forced him to accept "unsuitable merchandise"—artificial fur coats in the spring—for sale. You wonder about the force that for decades maintained a situation in which "the enterprise does not dispose of its own profits, but uses them in strictly defined directions" as N. Chikirev, Hero of Socialist Labor; general director, "Machine Building Plant imeni Sergo Ordzhonikidze" Association, wrote in the same PRAVDA, explaining why there is "no incentive to manage intelligently and thriftily." In this brevity and simplicity one can see, inter alia, the manners of people who mentally and spiritually have not grown to the understanding of the meaning of "socialization in fact" and who have not gone beyond the naivest concept of the "common pocket." Sour instructions such as those stating that we may not receive a replacement for a defective television set until it has been in the repair shop five times emanated imperceptibly from their sweet dreams.

The bureaucratic utopia is a plan for the optimal organization of society by bureaucratic means. It is not by chance that thoughts about bureaucratism were the most important of Lenin's last thoughts which he expressed in especially precise and intelligible words. What are bureaucratic means? They are orders, circulars, instructions, and directives that are issued from higher to lower levels, from office to office. They are geared to obedience, not motivation. Bureaucratic utopias are unattainable, but attempts to attain them are possible. They are seldom comical and harmless. They are more frequently poignant and wasteful.

Since the utopian goal is unrealistic and unattainable, the inevitable result will be formalism, window-dressing in the effort to attain it; everything will be stultified and reduced to absurdity; self-seekers, windbags and careerists will attach themselves to the cause, do their work on the quiet, squeeze out everything intelligent, talented and honest and, finally, the utopian task will be declared to have been fulfilled ahead of schedule.

Lin Zheng, a young teacher in "Newcomer in the Organization Department," a story by Chinese writer Wang Meng (the story cost the author 20 years' "labor reeducation" in the countryside), having gone to work in a Peking district committee of the Chinese CP, comes to grief upon clashing seriously with party cadres who were yesterday's heroes and organizers of armed struggle against the Japanese and the Kuomintang. He cannot understand why in peacetime work on the construction of a new life, they have become cynics, liars, demagogues and petty tyrants, why they toss words that are "bright" and "filled with the innermost meaning" around lightly as if they were "beads on an abacus," why they keep the party's "household" listlessly, formally and undemocratically despite the fact that they can give magnificent explanations as to what it is. While Lin Zheng does not find the answer to the question, the author provides the readers with sufficient material to arrive at their own answer. The entire question is what yesterday's red commanders and underground heroes are forced to do to carry out the tasks (assigned from above) in which they participate. The task is as follows: to raise production immediately by mechanically increasing the number of party members, by increasing the party stratum at plants. The question is: can a person, if he is not a fool, struggle with all his heart to carry out such a task? What remains to one who

realizes that in order to effect an immediate increase in bag production at a bag factory in the Peking suburbs, it is necessary to increase not the number of party cards, but something more substantial: for example, production capacities, material incentives of the workers or deliveries of raw materials? Here is what Han Chang-xin, shrewd party construction group chief, says in "The Report on the Growth of the Party Ranks at the Bag Factory" where two people were hired in the first quarter of 1956: "Comrades Zhu and Fan, inspired by being awarded the high title of communist, showed a proprietary attitude toward the work and fulfilled the intensive first-quarter plan by 107 and 104 percent, respectively. Broad strata of the aktiv united around the party buro and, moved by the desire to be admitted to the ranks of the party, successfully met and surpassed their production targets...."

The utopian goal is always base, i. e., empty. It generates bureaucratic methods that immediately begin to serve not the goal, since such service is entirely meaningless, but the methods themselves. Extreme manifestations of utopian socialism with its empty goals are: the Great Leap Forward; the "little red book"; the Great Helmsman's races; the exaggeration of successes and the ignoring of failures; the suppression of criticism; the encouragement of ugly glorification; and the annual rewriting of history. Combating ostentation, verboosity and formalism, in line with the party's persistent demands today, means first of all fighting to see to it that all our goals are businesslike and vital, our programs are fulfillable, and our targets are realistic. The reason why people frequently resorted to the "sugary communist lying" that Lenin found "sickening" was that they made a great deal of noise when they undertook ventures that proved to be impossible or premature.

Old, classical utopias reflected the concepts of the time regarding the good life—they associated the very high, the highest concepts with the names of major, honest thinkers inspired by love of people and hopes for the inevitable triumph of good. The utopias of our "cavalrymen," who repeat over and over what they have learned before, what has already been covered long ago by socialist thought, without suspecting that all this is not the same as it was, that something has been discarded, something has been done over, something has been built to the end; that they reflect the weak, possibly the weakest concepts of the goods life, and moreover those that have been repeatedly tested in practice and that have invariably disgraced them. "Once, here (at a train station bazaar in a Chinese city.—A. S.), there were all kinds of snacks and local delicacies," writes the same Wang Meng in the story "Spring Voices." "There were peanuts, walnuts, sunflower seeds, dried persimmon, brandied dates, sweet bean cakes, fern in sesame...There was everything...Then a conjurer waved a red rag with two fingers of his left hand—and everything vanished. And matches, electric batteries, and soap began disappearing after the delicacies...."

Contemporary utopian socialists are gloomy inventors of perpetual motion machines in social life. They are active and stubborn even though the main reason why utopian sentiments have spread should to a certain degree be sought in someone's confused dreaminess, in economic and social life, in the everyday life of millions, which has not by any means run ahead of their consciousness, and in certain economic difficulties and failures of the eighties, analysis of which was begun in the spring of 1985 and continued at the 27th CPSU Congress.

The response to these difficulties and failures was the revival of utopian dreams and endless discourse in a rapturous bureaucratic spirit: for example, that no one in "our country" should for any reason receive more from society than a "man of the people" and how to achieve this through the introduction of certain paragraphs in certain circulars. Voices from an entirely different opera have joined in the murmur that has naturally raised against thieves, bribe-takers and scroungers. These are the voices of people who have brought confusion to the public: why, suddenly, at the very time that levelling seemed to be proclaimed the greatest evil and obstacle in our path, why did someone find it necessary to make it fashionable to wear a Saint-Simon waistcoat that cannot be removed without the assistance of others and to eat a black mess of pottage which, according to the law of Lykurgos was the basic mandatory diet for all citizens of Sparta, who had to eat it in the presence of one another at a common table; even the king, who asked to be permitted to dine alone with his wife one time as a supreme award for a military victory he had won, was refused this luxury.

When I once wrote about a contemporary utopian that she possibly wrote under the powerful childhood influence of the "City of the Sun" and other similar books, one reader—an economist by specialty—sent me a sharp rebuttal. If our "cavalrymen," he wrote, had read "such literature," they would have necessarily been instilled with the idea of the futility of all utopian—Spartan, Saint-Simonist, Narodnik, or Trotskyite ("shock work and equality in consumption")—socialism. Printed in flaming symbols in their memory at that time were numerous attempts to install common tables that lead to the same thing always and everywhere: to the decline of the productive forces, science and culture, chronic shortages in the face of monstrous waste, the hardening of morals and the stupefaction of people (here he cited Schiller's words: "The Spartan's mind was fettered and his heart was without feeling); to frequently bloody fools of all manner of "great helmsmen," and toward the end of the twentieth century would not suggest that we become part of the herds of consumers' cooperatives so that we might look at one another's plates.

At the same time, there are more and more noticeable shifts in the direction of the "merchant" type of thought. One can read, as economist V. Tarasenko of Ust-Kamenogorsk wrote in PRAVDA that long and essentially fruitless attempts to "improve gross, volume indicators" have only shown that "it is always simplest to evaluate the effectiveness of production through the surplus product." "Simplicity" is probably not the right word to use here, but as regards the surplus product, these words were not encountered in the discussion of indicators since the sixties. Since that time, no words have been heard about "commodity-monetary relations," which resounded anew at the famous conference at the CPSU Central Committee on problems of scientific-technical progress in the summer of 1985 and subsequently in the Political Report of the CPSU Central Committee to the 27th Congress. A direct answer was given to the attempts of the "cavalrymen" to turn society against value indicators and to besmirch the principle of economic gain. The dominant theme of the Report and most of the delegates' speeches was the introduction of the new, the economical expenditure of resources, and the notion that it must be made profitable for the enterprise to respect the consumer. The Report replied to the prejudices and fears of the "cavalrymen," to the angry rhetorical question with which they have always greeted any measures to expand

the economic independence of enterprises and localities: what will remain of planned leadership, especially of centralization? Centralization, as the Report shows, will not be weakened but to the contrary will be strengthened, not in minor ways, but in the most important respects: in the realization of the basic goals of the party's economic strategy, in the determination of the rates and proportions of development of the national economy, and its balance. The methods of indirect centralization, in particular, management through norms, will be applied much more widely. This will be done in spite of the known "cavalry" position "which views any change in the economic mechanism as a virtual departure from the principles of socialism." The Report demands: "In this regard, we must not be stopped by old views and especially prejudices. If, for example, there is need and justification for the application of economic norms in place of any kind of mandatory indicators, this does not mean the departure from the principles of planned management, but only change in its methods."

Production workers and economic leaders speak more and more frequently using the language of the best scientists of the 1960's. N. Chikirev, general director of the "Machine Tool Building Plant imeni Sergo Ordzhonikidze" Association, who has already been mentioned here, formulated the ABC's of commodity-monetary relations: "the basic cost accounting principle—self-recoulement and the realization of profit necessary for expanded reproduction and social progress" in PRAVDA (11 July 1985). He unequivocally demanded that the marketplace be the "author" of prices, that they be established "in the process of interrelations between supplier and customer," that would adhere to the basic market principle of mutual gain. Emphasizing the fundamental significance of the discussion of commodity-monetary relations, V. S. Murakhovskii, first deputy chairman, USSR Council of Ministers; chairman, USSR Gosagroprom, stated the following at the 27th CPSU Congress: "The denial of the importance of their active influence on increasing the interest of people and the effectiveness of production has weakened cost accounting. The socialist market must play an important role in increasing volume and improving the quality of the product. There is no reason to fear this."

The marketplace, if we recall the words of Novozhilov, is the price of equilibrium of supply and demand, is what V. I. Kalashnikov, first secretary, Volgograd Oblast Committee of the CPSU, was talking about at the 27th CPSU Congress, when he proposed decisively bringing order to pricing: "Economically substantiated retail prices will make it possible to reduce the gap between supply and demand, to abolish coupons and other forms of distribution. When the equilibrium price begins to act, shortages begin to disappear, there is enough for one and all—naturally assuming that they have money. Under these conditions, the consumer becomes extremely attentive to the quality of products, and producers must take his demands into account whether they want to or not."

It goes without saying that this is not the "free market" that has long not existed even in the capitalist world and is not the fictional "free market" that that socialism's Western enemies would like to see in our country and that is painted by some of our vulgar economists who frighten one and all with the idea of "spontaneous forces." The reference is to the marketplace under the conditions of public ownership, the planned economy, the full cost

accounting that was discussed in the new Party Program, and the market place that was based on full-valued business relations of enterprises, an equal and responsible partnership, and the contracts of supply enterprises and customer enterprises that are taken into account in national economic plans.

The minds of people are the battlefield. The "cavalryman" may do battle with the "merchant" in the mind of one and the same person, of one and the same department, and the intensification of this battle is also a sign of the times. A Komsomol worker from Lipetsk told KOMSOMOLSKAYA PRAVDA how the "Trikotazh" atelier accommodated its young customers by turning out fashionable colored T-shirts. There was a total lack "of moral substance and..." "we closed the shop down," the young man reported. If this had been 30 years ago, we might have laughed about it and added that he was reporting this fact while putting the spurs to his horse. But the whole point is that this is a sign of the time, that he does not put the spurs to the horse today, but instead pulls on the reins and thinks. But about what? A startling thought flashes through his mind: "But you can't close down the market!" This is an enormous step in his development. These are the words of an almost educated person; if you consider that he is young and active (to close down a state "shop" is no little thing; real pressure was required!), this turn of his in the direction of the "merchants" is more important than that of another theorist.

This person will soon not only be able or compelled, but will also want to assimilate the lessons of long struggle of the socialism of thought and the "socialism of feeling," whose battle field is the mind of people and economic life. Since he is wont to think that there is something seditious, that is alien to us in the very concept "market," he looks at matters more simply and directly and finds that the citizen consumers, the population, all of us, Soviet people with our tastes, needs and potential, with enterprises where we stand at our machine tools, with offices where we sit at our desks; to fear the marketplace, its verdict and prompting; to suspect it of impure intentions is to damn, fear and suspect himself, us, the Soviet people, and the citizen buyers. He will understand that giving one's word to the market means strengthening the power of the consumer and giving him broader rights so that he would participate more in the management of the social sector and as the holder of a purse and a certain sum of money, which he may spend as he sees fit, rewarding the manufacturer of certain items with his attention and punishing others with his neglect, and as the worker of an enterprise, which is also a customer and is vested with the same rights as the individual customer. The test by the marketplace is also a test by humans.

This "cavalryman," who is already beginning to think and is therefore slowing down from a gallop to a walk, will finally understand that socialist "shops" are specifically socialist "shops," property that belongs to the people, and may not be treated without proper respect, that ordering it about in the fashion of the "cavalry" is not only unlawful, but is also harmful, is fraught with a decline in production, with mismanagement and the corruption of morals; that commodity-monetary and commercial relations are the language in which capitalist enterprises speak in their own, capitalist way, while socialist enterprises can and should speak in their own, socialist way, in the interests of one and all.

FOOTNOTES

1. If a commodity cannot move because of an unduly high price tag, it will remain unsold. The law of value will then be manifested in this unsalability.
2. For more detail on this point, see pp 156-162 of the book "Sovetskoye krestyanstvo" [The Soviet Peasantry], Moscow, 1970.
3. For more detail on this point, see pp 181-205 of A. Tsipko's book "Ideya sotsializma" [Socialist Ideas], Moscow, 1976.

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POLICY, ORGANIZATION

GOSPLAN OFFICIALS DISCUSS TRADE SECTOR, PAID SERVICES

Moscow PLANOVYE KHOZYAYSTVO in Russian No 8, Aug 86 pp 98-103

[Article under rubric "Planning Methodology": "Planning the Production of Consumer Goods and Paid Services (Materials From Conference at USSR Gosplan)"]

[Text] On 29-30 May 1986 a conference on improving the planning of the production of consumer goods and paid services was held at USSR Gosplan. Participants included the managers of departments in the apparatus of the CPSU Central Committee and the USSR Council of Ministers, and the managers and specialists of the Gosplans of the union republics and USSR Gosplan and the USSR ministries which have been given the responsibility of developing and guaranteeing the fulfillment of the plans for consumer services, and representatives of the State Committee for Prices, USSR TsSU [Central Statistics Administration], State Committee for Science and Technology, Mosgorispolkom [Moscow City Executive Committee], and Mosgorplan [Moscow City Planning Commission].

The conference was opened by USSR Gosplan deputy chairman A. Ya. Yefimov. He stated that during recent years a considerable amount of work has been done in our country to increase the production of consumer goods and improve the services provided to the public. The 27th CPSU Congress posed new and large tasks for industry and the workers in the services and trade sphere. It is planned to have a substantial increase in the production of consumer goods and to develop the services sphere. As a whole the production of these commodities will increase by 35 percent; in light industry, by 27.2 (twice as much as in the 11th Five-Year Plan); commodities intended for cultural, everyday, and household use, 45; foodstuffs, 38; and volume of services provided to the public, by 50 percent. The basic directions for the resolution of these tasks have been defined in the Comprehensive Program for the Development of Consumer Goods and the Service Sphere. The government has also enacted a number of decrees and decisions dealing with questions of providing equipment for the branches that produce those commodities, of developing the associated branches, and of improving the economic mechanism in light industry. The factor that will become the basic indicator according to which their work will be evaluated is profit; and the chief economic lever will be the contract between purchaser and consumer. Industrial enterprises are banned from producing commodities that have not been ordered by the trade system. There has been a substantial increase in the reciprocal

responsibility between supplier and consumer -- that responsibility is expressed in definite penalty sanctions. Thus, there has been a considerable expansion of the independence of the production collectives, in order to produce the commodities that the public needs.

The enacted decrees and the measures planned in them are evidence of the large concern shown by the government and the CPSU Central Committee for the resolution of such a large and important task as the raising of the workers' standard of living.

N. Ye. Smetanin (chief of combined Department of Consumer Goods and Services, USSR Gosplan), in his report, threw light on the basic tasks of the ministries and departments of the USSR and the union republics in increasing the production of consumer goods and paid services for the public, which tasks evolve from the decisions of the 27th CPSU Congress. He emphasized, in particular, that in the 11th Five-Year Plan, for many manufactured commodities the public's demand was satisfied, as a result of which there was a relative saturation of the market. The further increase in the sale of those commodities will be possible only in the event that their qualitative features encourage the purchaser to expand his wardrobe or to replace the durable goods that he already has. This requires the active reorganization of production, aiming at new types of output of greater variety and better quality. The resolution of the task of the sharp improvement of paid services for the public is one of the factors necessitating the creation of an essentially new branch and a modern highly developed service sphere that encompasses people's everyday life, recreational activities, tourism, and free time (Footnote 1) (The basic principles in N. Ye. Smetanin's statement will be set forth in his article in issue No. 9 of PLANOVAYE KHOZYAYSTVO).

I. M. Belov (subdepartment chief, combined Department of Consumer Goods and Services, USSR Gosplan) dwelt on questions of the planning of production of nonedible commodities. The assignments of the Comprehensive Program for the Development of the Production of Consumer Goods and the Service Sphere, he stated, are already being implemented in a practical manner in the plan for the current year and in the five-year plan. Starting in 1986, the plan will contain a special section for the production and sale of consumer goods and the system of paid services. Beginning with the 12th Five-Year Plan, the plan will include the indicator "nonedible commodities," instead of the previously approved indicator "production of commodities intended for cultural, everyday, and household use," which is kept as a computed indicator for determining the commodity resources and monitoring the fulfillment of the assignments that have been established by the Comprehensive Program. The annual plans contain 408 specific items in the commodity groups. The development of the draft plan is preceded by preliminary requisitions for volumes of production which are to be reported by Mintorg [Ministry of Trade] to USSR Gosplan, Gossnab, and the ministries and departments, and, with regard to interrepublic deliveries of commodities to be produced by the enterprises of republic ministries, departments, and local subordination, to the Councils of Ministers of the union republics.

USSR Gosplan informs Ministry of Trade of the preliminary indicators for the following year, which are taken into consideration when conducting wholesale

fairs. The preliminary volumes for the production of commodities for ministries and departments are also coordinated with USSR Mintorg.

On the basis of the results of the wholesale fairs, at which contracts are concluded for the delivery of commodities in a variety between the wholesale bases and large-scale retail enterprises, on the one hand, and the industrial enterprises, associations, and firms, on the other, USSR Mintorg refines the requisitions that constitute the basis for forming the commodity production plan. The plan includes only those articles of light industry which have been purchased at the fairs.

Unfortunately, in the previous five-year plan the plans were not strenuous ones. However, they also were not fulfilled. Many fundamentally new articles can be seen only at exhibitions, but are being introduced into production slowly.

The 1986 State Plan includes the indicator "Commodities with a higher category of quality in the overall production of commodities intended for cultural, everyday, and household use." Those commodities constitute 20.6 percent.

At the present time the Councils of Ministers of the union republics are granted the right to establish, for production associations situated on the territory of the republic, irrespective of the department to which they are subordinate, assignments for the production of the simplest commodities for cultural, everyday, and household use in volumes that satisfy the needs of the local population, with a consideration of their shipment outside the confines of the republic on the basis of production orders from trade organizations.

In 1985, the total production of commodities for cultural, everyday, and household use, in terms of a single family, came to 665 rubles, and in 1990 is supposed to increase to 979 rubles. The ministries are faced with a serious task of renewing the output being produced.

A. B. Masalskiy (USSR Gosplan) remarked that an annual plan for paid services has been established for 1986 for the first time. USSR Gosplan has prepared methodological instructions for planning the paid services for the public, as well as planning forms; has introduced statistical reporting; and is preparing a draft of efficient quotas for consumption of paid services for the public.

Most of the USSR ministries and departments and Gosplans of union republics have resolved many of the organizational questions with regard to the planning of these services, but that work has been expanding slowly.

The speaker went on to discuss the procedure for planning the overall volume of paid services for the public at USSR Gosplan and the ministries and departments.

O. D. Gotsiridze (deputy chief of the combined Department of Material Balance Sheets and Distribution Plans, USSR Gosplan) emphasized: the task consists not in producing the necessary articles at any price, with any quantity of resources, but, rather, in making the most effective use of the labor and material resources. Actually this does not always happen. For example,

Ministry of Heavy Machine-Building invested funds in the organization of the production of radiators although Minstroymaterialov [Ministry of the Construction Materials Industry] has uncommitted, unloaded capacities that could be used for producing radiators and heat collectors of a better quality, more inexpensively, with lesser expenditure of material resources. One could cite a large number of such examples. The role of USSR Gosplan in this direction is being increased. Its appropriate departments, and the ministries and departments, must devote special attention to the specialization of production with a consideration of the existing capacities, and also to the guaranteeing of the more effective use of resources.

If a particular type of output ceases to be in demand and the trade system refuses to accept it, it is necessary in a time-responsive manner to channel the resources into the production of other types of output that are in demand with the public. It is inadmissible to convert materials idly and to produce output "for the warehouses."

When planning personal services for the public, prior to 1974 the necessary resources were allocated in overall market funds; at the present time they are defined separately, including for operations to be fulfilled by ministry enterprises as nonspecialized ones.

The ministries, departments, and Councils of Ministers of the republic have been granted broad rights and opportunities for using resources (above-norm balances, unused and economized resources, etc.) for the production of consumer goods and the rendering of services. Nevertheless many ministries have been requesting the allocation to them of resources for those purposes, without even attempting to locate and use their own opportunities. And yet, in addition to the economized resources, it is also possible and necessary to involve in production the local materials, secondary resources, and production waste products.

I would like to give the following example. USSR Ministry of the Construction Materials Industry has planned the carrying out of the repair of the apartments for workers in the branch, with a total value of 1.5 million rubles. The carrying out of these operations requires, in particular, 600 tons of cement, and Minstroymaterialov asks to have allocated to it of that additional amount of cement, although for 1986 it has received 8,900,000 tons of cement and is not even attempting to reduce the losses of that material or to economize in its expenditure.

The realization of the material resources that are being allocated for the public has been organized unsatisfactorily. In February VECHERNYAYA MOSKVA published an announcement concerning the sale at Soyunglavtara of a large variety of construction materials. But in February no one will buy cement to build a garden shed. Announcements like this do not appear in the spring or summer.

Thus, trade does not take into consideration the change in the purchaser's demands. But the resources that are allocated for that trade are rather considerable. In particular, 5.5 million tons of cement are channeled into the trade network for sale to the public (for purposes of comparison, this is

as much cement as our total production in 1941), and 56 percent of all the slate being produced. Most of the purchase orders from Mintorg are completely satisfied. Nevertheless, the sales plan goes unfulfilled every year. In 1985, 13.5 million cubic meters of lumber were sold, as compared with the plan of 18.15 million cubic meters. True, the trade network is not entirely to blame for this. The material being delivered does not always satisfy the purchaser. Therefore in the next few years it is planned to increase the share of lumber from soft woods to 80-90 percent. In addition, it is necessary in the first and fourth quarters to allocate to the trade network 10 percent of the construction-materials fund; and in the second and third quarters, 40 percent each. It is also necessary to create in the consumption areas well-equipped bases with hoisting equipment and means of transportation.

A. S. Korolev (subdepartment chief, combined Department of Consumer Goods and Services) stated that a specifically addressed definition had been made of the capital investments and construction-and-installation operations, subdivided by the individual years of the five-year plan, for creating the capacities for the production of consumer goods and the rendering of paid services to the public. In order to produce consumer goods, the volumes of capital investments have been increased by 43.6 percent, and construction-and-installation operations, by 50.5 percent as compared with the 11th Five-Year Plan.

Many ministries must increase the production of consumer goods also by means of their internal resources: the improvement in the use of the created production potential, the worker cadres, the organization of the production of those articles on the production capacities of the basic and auxiliary production entities, and the redistribution of capacities. However, certain of them have made absolutely no provision in the draft plan for the five-year plan for the allocation of capital investments for creating and developing the capacities for the production of consumer goods with a considerable increase in the assignments for their production. For example, USSR Minenergo [Ministry of Power and Electrification], USSR Mingeo [Ministry of Geology], MPS [Ministry of Railroads], and the construction ministries have not been planning the allocation of capital investments, and Minstroydormash [Ministry of Construction, Road, and Municipal Machine Building], with a planned increase by a factor of 1.8 in the production of consumer goods, is channeling into the creation of capacities only 3.5 million rubles, or 0.2 percent of the total volume of investments for production construction.

Moreover, a number of ministries have been reducing the share of capital investments channeled into the production of those commodities, and have simultaneously been providing for the reduction of the growth rates of output as compared with the 11th Five-Year Plan.

There has been a worsening of the effectiveness of the use of capital investments in certain ministries. The specific size of investments per ruble of increase in commodity output for consumer goods at Minkhimprom [Ministry of the Chemical Industry] increased from 0.13 rubles in the 11th Five-Year Plan to 0.32 rubles in the 12th; at USSR Mintsvetmet [Ministry of Nonferrous Metals], from 0.17 to 1.27; at USSR Minchermet [Ministry of Ferrous Metals], from 0.09 to 0.19; and at Mintyazhmas [Ministry of Heavy Machine Building],

from 0.31 to 0.66 rubles. All this attests to the insufficient workload on the newly activated capacities.

Under conditions when the channels in the trade network are saturated with many consumer goods, the capital investments must be directed first of all toward the technical re-equipping and remodeling of the enterprises that guarantee the creation of the specialized capacities for producing fundamentally new commodities and articles with improved quality.

The growth rate of capital investments for developing the system of paid services in the 12th Five-Year Plan will be 129.5 percent, as compared with the 11th Five-Year Plan; and for construction-and-installation operations, 161.4 percent.

The improvement in the use of the available capacities when producing consumer goods and rendering paid services to the public is a very important task. However, whereas in the organizing of the production of consumer goods that task is already being carried out, in the service sphere there are still considerable unused reserves.

As was already noted, for purposes of the successful carrying out of the Comprehensive Program, recently a number of decrees have been enacted, in which there has been a definition of the specific tasks for remodeling, expanding, and constructing the capacities for producing consumer goods and developing the service sphere, for allocating the necessary capital investments, and for the volumes of contract operations. These assignments, basically, have been included in the five-year plan for 1986-1990, but not completely for a number of items. Thus, Minelektrrotekhprom [Ministry of the Electrical Engineering Industry] failed to include in the draft plan the expansion of certain plants that manufacture storage batteries, although that was stipulated by the 23 January 1985 decree of the CPSU Central Committee and USSR Council of Ministers.

USSR Minlegprom [Ministry of Light Industry] and USSR Minkhimprom have also failed to include all the assignments in the plan. The list could be continued, but the examples already cited attest to the serious shortcomings in the fulfillment of the instructions issued by the directive agencies.

V. M. Sychev (chief of the Department of Labor, USSR Gosplan) reported on the procedure of allocating limits for labor to develop the service sphere for the public. When planning those limits, all the services are combined into three large groups: those pertaining to operations of an industrial nature (they are included in the volume of production in the commercial, normative-net output that is sold); those to be included in the volume of construction production and construction-and-installation operations; and those pertaining to operations of a nonproduction nature. For the first type of services, the workers' wages are planned in the overall wage fund for industrial-production personnel, which is determined according to standards for increase in the wage fund for each percentage of increase in the volume of output, or according to standards of wages per ruble of output. For the second type, they are planned according to the standard wages per ruble of construction-and-installation operations. For the third type, the labor performed by the workers is paid

within the confines of the absolute wage fund that has been established in the plan for the ministries, departments, and Councils of Ministers of the union republics.

The system of planning the wage fund for the various groups of services was developed with a consideration of the fact that in 1987 the conversion of all the branches of industry to the new management methods will be practically completed. The ministries themselves will determine the number of personnel with which they will fulfill the established assignments for volume of services.

Industrial services will be included in the volume of the commercial output or the wage fund for the basic activity will be isolated in the normative-net output in conformity with their volume.

In order to carry out the services, authorization has been given to involve workers and employees on an incomplete workday or incomplete workweek basis, and also to employ them for work at home in excess of the established limit for the number of workers and employees. When computing the labor productivity, these individuals are taken into account for the amount of time worked or for the amount of work fulfilled and the wages received, and thus are "converted" to a complete workday.

It would obviously be desirable to use also the workers under conditions of the internal combining of jobs. Such experience exists in Chelyabinsk Oblast and in a number of other parts of the country. An analysis of the results of the Chelyabinsk experiment will make it possible to resolve the question of the necessary scope of extending it.

V. I. Guryev (deputy chief, USSR TsSU) reported on the basic tasks and directions in improving the statistical accounting of the production of consumer goods and services for the public. In order to guarantee supervision over the rate of fulfillment of the state plans for these indicators, he noted, special reports have been established. The enterprises on a monthly basis submit data concerning the production of consumer goods, expressed in monetary and physical terms. These indicators are developed for the ministries and departments in a territorial breakdown.

USSR TsSU carries out surveillance on the fulfillment of the plan for shipments of commodities to the trade network for 75 consolidated groups of commodities intended for cultural, everyday, and household use, and for 16 consolidated groups of commodities produced by light industry. Every month there is an accounting of the change in the balances of commodities in the trade network. Random studies are made of the sale and reserves of individual nonedible commodities in the stores of the Mintorg system, and the rate to which the trade organizations are provided with commodity reserves is analyzed.

A large amount of attention is devoted to studying the level to which the public's needs for commodities and services are being satisfied. Appropriate studies have been carried out.

There has been an unsatisfactory response to the public's demand for many consumer goods, for such services as the repairing and making of clothing, shoes, and knitwear, for the construction of garden sheds, housing (ZhSK [housing-construction cooperatives]), for trip tickets to recreational homes, sanatoriums, etc.; and the public purchases a substantial number of commodities from middleman-speculators at increased prices.

The state statistics agencies constantly keep account of the quality of the consumer goods and the renewing of their variety. The quality has noticeably improved during recent years, but a considerable number of the commodities still do not have any demand and are sitting unsold in the warehouses. During the past five-year period the volume of unpopular commodities has increased considerably. A large quantity of manufactured articles continue to be produced without adherence to the GOST [all-union state standards] and other standards.

In 1985, out of the items that were inspected, 7-9 percent of the fabrics were rejected, and at individual enterprises the rejected fabrics, clothing, and footwear constitute one-third or even more than half the total output inspected. Frequently, television sets and radio receivers are also rejected.

It is also necessary to refine certain methodological questions of planning and statistics. In statistical practice there are several concepts of commodities: Group B, national consumption, light industry, commodities intended for cultural and everyday purposes, nonedible commodities, etc. They are all intended for the public. But frequently they also include articles that should not be included among consumer goods -- components, semifinished products, and production equipment that will be used for producing commodity goods. It would seem that the questions of improving the methodology, and in connection with the the system of accounting indicators also, require attentive consideration and resolution.

There also exist many problems in the planning and statistical accounting of services. The Comprehensive Program stipulates the substantial development of all types of services, and assignments are also established for individual ministries and departments for which the rendering of services is not the basic activity.

In order to monitor the carrying out of these assignments, USSR TsSU developed special reports. The appropriate report data was received for the first time for 1985. In 1986 the report will be submitted for the first half-year, for the first nine months, and for the year as a whole. That will make it possible as early as 1987 to plan the development of services in a more substantiated manner.

In 1985 their overall volume for the national economy came to 45 billion rubles. The share of everyday services is equal to 23 percent. But such types of services as the organizing of recreational activities, physical culture, sport, tourist and excursion activities, and institutions of culture, constitute a total of 3.4 billion rubles, or 7.5 percent.

The distribution of paid services is dissimilar over the territory of the country. Whereas, on the average, their volume constitutes 130 rubles in terms of a single resident, in Turkmenia it is 53 rubles and in Tajikistan, 64 rubles. They are also distributed unevenly among the various ministries.

In 1985 by no means all the ministries informed the enterprises in full volume of their planning assignments, and frequently they were one-third to one-half, or even less, than the actual volumes of services.

B. A. Makeychenko (deputy chief of BSSR Gosplan) shared the experience of the work of the Coordination Council of the Baltic Republics and Belorussia in coordinating the production of consumer goods in that region. As a result of the reduction of the centralized distribution of the planned consumer goods, questions of the placement of production of a considerable amount of the articles intended for cultural, everyday, and household purposes began to be resolved in the outlying areas on the basis of the local needs. However, in a number of instances that lead to the overproduction of some commodities and a shortage of others. In order to eliminate those shortcomings, the regional interbranch Coordination Council for the Production of Commodities Intended for Cultural, Everyday, and Household Use and Haberdashery Which Are Not Planned in a Centralized Manner was created. That council included representatives of the Gosplans and other organizations of Belorussian, Lithuanian, Latvian, Estonian, and Moldavian SSR.

Last year, by the efforts of the council, the production of 36 different categories of commodities was concentrated, and reviews were conducted, where there was a discussion of the development of production of specific commodities (new types of articles that had been assimilated or that were being planned for assimilation, commodities of household chemistry, children's technical creativity, and metal haberdashery). The broad showing of the commodities intended for cultural, everyday, and household use and of haberdashery articles was organized. Working meetings were organized with enterprises of Minstroydormash, Minkhimprom, Minelektrotekhprom, and Minlegpishemash [Ministry of Machine Building for Light Industry and the Food Industry]. As a result, specific recommendations were worked out for improving the quality of the articles, for packing them, reducing the package sizes, assimilating new types of articles, restoring the production of commodities that had been removed from production without good reason, organizing the advertising of commodities, and concentrating the production of analogous articles. Unfortunately, in individual instances the council's recommendations are not being implemented by the ministries. Obviously it is necessary to expand the council's rights in this regard, and to intensify the responsibility borne by the union ministries for the fulfillment of the council's decisions.

The Coordination Council issued a catalogue of consumer goods which are being produced in the five republics and sent it to the planning agencies. The information about the assimilation of new articles is also made known to all five republics for the purpose of coordinating their actions. Questions of the concentration and specialization of production are resolved not only at the conferences and reviews, but also in accordance with a working procedure by means of the exchange of information.

The work of commercial exchange among the trade bases has also been improved. In April 1985 a regional retail-trade fair was held in Minsk with the purpose of shifting the commodities from the rayons where the demand for them had been satisfied to other oblasts and cities in the republics. In 1986 it is planned to expand the work in this direction.

Everything has not yet been organized smoothly in the work of the Coordination Council. We have not yet succeeded in coordinating the foreign-economic activity of the sections, and insufficiently close ties have been established with the USSR Chamber of Commerce and Vneshtorg [USSR Ministry of Foreign Trade]. An effective resolution of the problem of improving the quality of the commodities has not been found.

As a whole the activity of the Coordination Council has contributed to a considerable growth in the production of consumer goods. During 1985, with the council's aid, the region assimilated 764 specific new commodities. The work experience of these councils must be analyzed and disseminated more broadly.

V. I. Vasilyev (deputy chief, Department of Consumer Services and Local Industry, USSR Gosplan) remarked that personal services constitute a considerable part of paid services (23 percent). Personal services confront the following tasks: the increase in the volumes of services (in the 12th Five-Year Plan by a factor of 1.5), especially in rural localities; the improvement of the quality of services; the increase in the efficiency of services provided; the organization of new types and progressive forms of services; and the further reinforcement of the material-technical base.

In order to guarantee high rates of development of services it is planned to allocate considerable capital investments. Special attention is being devoted to the technical re-equipping and remodeling of existing enterprises -- half the total funds will be used for these purposes.

It will be necessary to resolve a number of scientific-technical problems that are linked with the improvement of the material-technical base and with the development of special equipment and gear, and it will also be necessary to increase the effectiveness of the use of labor, material, and financial resources.

In 1984-1985 many ministries that provide consumer services participated in the economic experiment. Starting in 1986, those ministries in all the union republics were changed over to the new management conditions. The basic principles in the experiment promote the improvement of the work in the personal-services sphere, and primarily the increase in the growth rates for services that are paid by the public. At the same time there still exist unresolved questions. The complete application of all levers and incentives is not being guaranteed everywhere. Certain associations and enterprises have not fulfilled the plans established for them, and there has been a slow rate of improvement in the quality of the work and in the profitability of individual types of services.

It will be necessary to carry out additional measures to improve the planning of the increase in the effectiveness of the economic mechanism, and to improve the elements of administration in consumer services at all its levels. At the present time these measures are being prepared. However, in addition, it is necessary to intensify the responsibility in the outlying areas for the development of consumer services.

It will also be necessary to think a bit about the development of new types and forms of the organization of labor in consumer services, especially in the involvement of the population -- retirees, disabled persons, and workers and employees during their nonwork time -- and also about the development of services on cooperative principles.

A. A. Kotova (deputy chairman, RSFSR Gosplan) in her statement discussed problems of the planning of paid services in that republic. In the RSFSR the participants in the development of the Comprehensive Program for the Development of Consumer Goods and the Consumer Service Sphere included practically all the RSFSR and USSR ministries and departments whose enterprises are situated on the territory of the RSFSR, the Councils of Ministers of the autonomous republics, and the kray and oblast executive committees. The greatest difficulties arose when drawing up the section "Paid Services," because of the lack of experience in planning them (with the exception of consumer services) and of a methodological and information base, and because of organizational shortcomings.

Despite the growth of paid services, during the past 15 years their share in the public's overall expenses has remained practically unchanged and constitutes somewhat more than 9 percent. The Comprehensive Program has defined the directions for creating with short periods of time a modern highly developed services sphere that encompasses people's everyday life, recreation, tourism, free time, etc. It is planned to have a major turning point in this matter by the 12th Five-Year Plan.

During recent years a number of new indicators have been introduced -- the volume of production of commodities in retail prices; production of commodities per ruble of wage fund -- and the indicator of the production of consumer goods in Group B in industry also became directive. Many changes were introduced into the methodology of computing them. In our opinion, this amount of indicators is excessive and in a number of instances the procedure for computing them does not encourage the enterprises to search for additional reserves for the development of production. For example, the establishment for enterprises of assignments for the production of consumer goods in Group B has been hampering the development of cooperative actions in the manufacture of commodities intended for cultural and everyday purposes.

Not a single indicator provides an exact answer to the question concerning the real volume of the commodity mass that will be channeled into sale to the public. As a result it is difficult to substantiate the resolution of one of the central problems -- the guaranteeing of the proper balance between the public's demand and the supply of commodities and services.

Other speakers at the conference were V. A. Leytan (deputy chairman, LaSSR Gosplan), I. Ye. Grigorenko (chief of the combined Department of Consumer Goods, KaSSR Gosplan), and V. A. Prokopenko (chief, Department of Consumer Goods, Minavtoprom [Ministry of the Automotive Industry]), who considered questions of improving the methodology of planning consumer goods and services in the republics, and the providing of labor and material resources for the fulfillment of the Comprehensive Program. At the end of the conference work, O. D. Gotsiridze and N. Ye. Smetanin answered questions asked by the conference participants.

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DEMOGRAPHY

STATISTICS ON 1985 POPULATION SURVEY REPORTED

Moscow VESTNIK STATISTIKI in Russian No 6, Jun 86 pp 53-55

[Unattributed article: "Basic Results of the 1985 Sample Sociodemographic Survey of the Population of the USSR"]

[Text] "Questions of social policy and concern for the individual have always been at the center of our party's attention." ("Materials of the 27th CPSU Congress", Moscow, Politizdat Publishers, 1986, p 44)

State statistical organs conducted a sample sociodemographic population survey based on data for 1 January 1985. A total of 13 million people were surveyed according to a program developed in conjunction with USSR Gosplan and interested ministries, departments and scientific organizations.

On the survey date, 90.9 percent of those surveyed were living in families. The other 9.1 percent were individuals living apart from their families (primarily students) and single-person households. The average size of families consisting of family members living together was 3.5 persons. This figure has remained unchanged since the 1979 All-Union Census of Population. Broken down by union republic, family size varied from 3.1 persons in the ESSR to six persons in the TASSR. Over 75 percent of all families in our country consist of from two to four persons.

The results of this survey make it possible to characterize the effects to date of implementation of the measures provided for in a resolution by the CPSU Central Committee and the USSR Council of Ministers in 1981, a resolution designed to increase state assistance to families with children and to give working mothers an opportunity to better combine motherhood with employment in public production. According to survey data, of those working or studying women who bore children in 1983, 92 percent made use of the right granted by this resolution to a one-year (partially paid) maternity leave and six-month (unpaid) leave for the purpose of childcare. Within one year after the introduction of these benefits, the number of women in their first marriage with one child already who bore a second child increased by 12 percent, the number of women with two children bearing a third increased by 14 percent, and the number of those with three children bearing a fourth increased by 10 percent. This increase was larger among urban women than among rural women.

The Basic Directions for the Economic and Social Development of the USSR During the 1986-1990 Period and For the Period Until the Year 2000, which were approved by the 27th CPSU Congress, provide for further expansion of assistance to families with children, improvement of women's working and living conditions, extension of the partially paid leave for mothers for the purpose of childcare, and development of a network of specialized preventive clinics for pregnant women.

Comparison of the results of the 1985 sample sociodemographic population survey with the data obtained during the 1979 census indicates that during the ensuing period the number of families consisting of four or five persons increased, due to an increase in the birth rate. There also occurred a certain amount of growth in the number of families consisting of two persons, which was to a certain degree the result of separation of complex families as a result of increased availability of housing. The percentage of families consisting of three persons declined during the 1979-1984 period, and the percentage of large families, those consisting of six or more persons, remained roughly at its 1979 level.

There was a decline in the percentage of families consisting of one married couple and an increase in the percentage of those consisting of two or more married couples. This was primarily the result of a change in the age structure of the population. At the end of the 1970's and the beginning of the 1980's relatively large cohorts of young people who had been born at the end of the 1950's and beginning of the 1960's reached marriage age. Furthermore, the age of couples at the time of their first marriage decreased. As a result, many young couples have continued to live with the parents of one spouse.

Of all the study population who were 16 years of age or over, 73 percent of the men and 59 percent of the women were married. Of these, 65 percent of the men and 69 percent of the women were between the ages of 20 and 49. Most of them has married young. In the generations born after the Great Patriotic War, more than half of the women were married by 22 years of age and more than half of the men by 24. The women most often got married between 19 and 21, and the men between 21 and 23 years of age.

The breakdown of families by type and average family size in 1979 and in 1985 is illustrated by the following table:

	Percent of families		Average family size, in no. of persons	
	1979	1985	1979	1985
All families.....	100	100	3.5	3.5
of those, families consisting of:				
One married couple with or without children.....	66.1	64.3	3.3	3.3
One married couple with or without children and one parent of either spouse, with or without other relatives.....	13.3	13.0	4.7	4.6
Two or more married couples with or without children and one parent of either spouse, with or without other relatives.....	4.3	6.0	6.3	6.4
Mothers (fathers) with children and one of the mother's (father's) parents..	13.7	13.7	2.6	2.5
Other families.....	2.6	3.0	2.9	2.9

During the postwar period average age at the time of first marriage has declined. Whereas among those people born in the 1930-1934 period one-half of all women married by the age of 23 and one-half of all men by the age of 25, of those people born in the 1955-1959 period almost one-half of women and men married by the ages of 21 and 23, respectively. As compared with the 1979 census, the number of married men increased by 3.3 percent, that of married women by 1.4 percent.

A total of 21 percent of men and 15 percent of women reported having never been married. The majority of these individuals were under the age of 25. The percentage of persons who had never married declined as compared to the 1979 census.

The number of individuals with higher and complete secondary education is increasing as a result of the process of implementing universal mandatory secondary education for young people. At the present time 701 persons out of every 1,000 population aged 10 years and older have higher and secondary (complete and incomplete) education; of those 701, a total of 509 have higher and complete secondary (specialized and general) education. As compared to 1979, the number of such individuals per 1000 population increased by 10 percent and 28 percent, respectively. The percentage of individuals having higher and secondary education is higher among the working population than in the population as a whole. Of every 1000 persons employed in the national economy, as of 1 January 1986 a total of 883 had higher and secondary (complete and incomplete) education, which was 10 percent more than in 1979. The number of workers with elementary education or less decreased by 40 percent as compared to the 1979 census. However, 15 percent of all workers and over one-quarter of all kolkhoz members were still at this level of education. The educational level of both men and women is rising, but the rate of increase is greater among women than among men. There has taken place a further convergence between urban and rural educational levels. In 1985, as compared to 1979, the percentage of individuals with higher and secondary (complete and incomplete) education had increased by five percent in cities, while increasing by 20 percent in rural areas.

One of the significant sociodemographic characteristics of population is the division of all inhabitants into those who work in public production and those who do not. Unemployment was eliminated in the Soviet Union in 1930. Full employment of the population is a tremendous advantage of the socialist economic system over the capitalist system. In the USSR, as evidenced by data obtained in the 1985 survey, the proportion of people working at enterprises and in institutions and organizations is 52 percent. The other 48 percent of the population is made up of retirees, recipients of scholarships and dependents of private individuals.

As compared to the 1979 census, the proportions of these groups changed as follows:

	1979	1985
Total population.....	100	100
Employed in the national economy.....	51.5	51.8
Scholarship recipients.....	2.5	2.5
Retirees and individuals receiving welfare payments, as well as other individuals supported by the state.....	15.3	17.1
Dependents of private individuals, as well as individuals engaged in private farming.....	30.6	28.6
Persons with other sources of income, source not indicated.....	0.1	0.0

Within the population structure according to source of income, the proportion of retirees and other individuals being supported by the state increased. This was the result of the increased number of elderly people of retirement age. The number of retirees increased from 47.6 million in 1979 to 54.6 million in 1985. Men receive old-age pensions beginning at age 60, and women at age 55. Blue- and white-collar workers who are employed underground or in hot shops, as well as in other jobs with difficult working conditions, receive their pensions from 5 to 10 years earlier. This early retirement age is also being extended to other population groups. In the majority of capitalist countries retirement age is higher than in the USSR. Thus, for example, in the United States, the FRG, the Netherlands and Sweden retirement age for men and women is between 63 and 65, while in Norway it is 67. Furthermore, in capitalist countries considerable sums are deducted from workers' pay in the form of insurance payments to cover the cost of old-age pensions. In the USSR, pensions are paid for in full out of state and kolkhoz funds.

The survey also obtained information concerning the length of time which individuals remain at a permanent place of residence. Throughout the country as a whole 57 percent of those surveyed reported that they have been living at their present permanent residence since the time they were born; 43 percent have changed their place of residence.

The following data (expressed as a percentage of the total) illustrates the breakdown of that portion of the population which has changed its place of residence since birth:

	Total population	Urban	Rural
<hr/>			
Total population which has changed place of permanent residence since birth.....	100	100	100
<hr/>			
Of that group, those who have resided in the same place:			
less than 2 years.....	11.4	10.2	15.1
2-5 years.....	16.7	15.6	20.0
6-9 years.....	11.8	11.4	13.1
10-14 years.....	13.2	13.2	12.9
15 years or longer.....	46.9	49.6	38.9

As compared to the 1979 census, the percentage of people living continuously in one place for 10 years or more increased from 53 percent to 60 percent. The proportion of those living in one place for a shorter period of time decreased. Particularly noticeable was the decline in the percentage of people who have lived at a new residence less than two years: from 16.3 percent in 1979 to 11.4 percent in 1985. This is evidence of a lessening of the intensity of migration, a trend which is primarily the result of implementation of measures designed to further improve the public's housing conditions and cultural and domestic facilities.

The principal directions of migration were from rural areas to cities (40 percent) and from city to city (34 percent). Moves from one rural area to another accounted for 19 percent of the total, and those from cities to rural areas for seven percent.

In recent years the outmigration of population from rural areas to cities has slowed.

Active migration was observable in the RSFSR, the Ukraine, Belorussia, Kazakhstan and the Baltic republics, in which areas the proportion of those who have changed their place of permanent residence varied from 41 to 61 percent.

The most mobile segment of the population was individuals of working age. This group accounted for 69 percent of all those who had changed their place of residence.

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CIVIL AVIATION

Il-86 LANDING PROCEDURES DETAILED

Moscow GRAZHDANSKAYA AVIATSIYA in Russian No 10, Oct 86 pp 36-38

[Article by Vladimir Chemguyevich Mezokh, a leading test pilot in the State Civil Aviation Scientific Research Institute and an honored USSR test pilot: "The Il-86 On Landing"]

[Text] During a recently held flight methods conference devoted to summing up experiences in operating the Il-86 aircraft, questions concerning piloting techniques for this airliner during various flight stages were discussed in detail. Considering the problem's importance for flight personnel who are mastering this type of aircraft, the editors asked Vladimir Chemguyevich Mezokh, a leading test pilot in the State Civil Aviation Scientific Research Institute and an honored USSR test pilot, to share on the magazine's pages his reflections on the distinctive flight features in operating the Il-86 under different conditions.

We are publishing his first article in this issue.

Every pilot knows that a landing is one of the most complicated flight elements on any type of aircraft. The wide-bodied Il-86 aircraft has its own characteristic features which the flight crew must consider during landing.

The crew, which is performing the flight, must watch the instrument readings with special attention, not losing sight of the monitoring of the approach and vertical speed of descent during pre-landing maneuvers, levelling and landing.

Regarding the aircraft commander, he should be able during the pre-landing preparations to calculate the approach speed correctly based on his analysis of the air situation and meteorological information with a consideration for the landing weight, the center of gravity of the aircraft and other factors and to pass this information in a timely fashion to the crew members. In this regard it is very important to take the reference altitude in a timely manner before beginning entry onto the glide path.

There are several distinctive features in maintaining the necessary speed of the Il-86 aircraft during the approach and landing under conditions of turbulence and wind shears resulting from great frontal resistance and a shortage of excess thrust. In this case, the RLE [expansion unknown] provides for a corresponding increase in the approach speed. It is especially important for the aircraft commander to remember that speed is easily lost under these conditions but it is difficult to restore it since it requires a considerable increase in the operating conditions of the engines. This, in turn, leads to a longitudinal re-balancing of the aircraft because of the decentralization of the thrust of the power plants that are located on pylons below the center of gravity. Piloting is more complicated in this situation.

Pilots, who are being retrained on the Il-86 from such aircraft as the Il-62 and Tu-154, must have a clear picture of all of the distinctive features of this wide-bodied airliner and its characteristic differences from previous generation aircraft. As an illustration, let us cite several typical criteria that distinguish the Il-86 from the Tu-154 in a landing configuration, and let us attempt to explain their physical meaning.

Position No	Distinctive Criteria	Type of Aircraft	
		Il-86	Tu-154
1.	Maximum landing weight (in tons)	175	80
2.	Approach speed during landing (km per hour)	275	267
3.	Incident angle during this (degrees)	9.2	6.3
4.	Maximum permissible incident angle at time of landing (degrees)	13.5 Touching of the tail thrust journal	12.0 (attainment of "gas")
5.	Incident angle reserve (degrees)	4.3	5.7
6.	Aerodynamic quality during the landing approach	5.2	5.1
7.	Maximum climb gradient under engine take-off conditions (percent)	5.8	12.4
8.	Deceleration rate during horizontal flight under engine "low gas" conditions	5.0	5.0
9.	Acceleration rate during horizontal flight under engine take-off conditions (km per hour for a second)	3.9	6.3
10.	Necessary elevator deflection for creating a load-factor increment unit (degrees)	18-30	20-30
11.	Necessary elevator deflection for re-balancing the aircraft when changing engine operating conditions from "low gas" to take-off (degrees)	2.0	1.6

As is evident from position No 1, the weight and geometric characteristics of modern wide-bodied aircraft significantly exceed similar data for their predecessors. This leads to a substantial increase in the moments of inertia for these aircraft. This, in turn, involves a change in the dynamic characteristics, which includes a certain increase in the operation time of the control surfaces (i.e., a delay in the airplane's reaction to the deflection of the control surfaces). As is evident from positions No 10 and 11, there is -- at the same time -- practically no difference in the static characteristics of stability and controllability for the Il-86 and Tu-154 aircraft.

Furthermore, with identical landing approach speeds for both airliners, the Il-86 incident angle is approximately three degrees larger than for the Tu-154 aircraft (position No 3). The higher carrying qualities of the Il-86's high-lift devices explain this. Despite the fact that its critical incident angle is 1.5 degrees larger, the incident angle reserve for completing a levelling maneuver is nevertheless 1.5-fold less (positions No 4 and 5). This circumstance requires the pilot's special attention when performing longitudinal maneuvers. Another thing is clear from the table: Despite the fact that the aerodynamic qualities of the Il-86 and the Tu-154 during a landing approach are almost identical (position No 6), the climb gradient during take-off is approximately twofold lower than that of the Tu-154 airplane (position No 7) because of the lower thrust-to-weight ratio of the former. This also determines the primary difference of the Il-86 airplane from it. It consists of the following: With identical deceleration rates for both aircraft (position No 8), the acceleration rate of the Il-86 is approximately 1.5-fold less (position No 9); whereas the Tu-154 airplane accelerates more energetically than it brakes, it is just the reverse for the Il-86.

Based on this, pilots should know that larger feed rates for the engine control throttle are required to increase speed than to decrease it. Thus, it is necessary to increase the operating conditions of the engines before the instrument speed begins to fall -- when the tendency for it to decrease appears. It follows from this that each crew member must carefully watch the speed during the landing approach and especially during its final section. In particular, the navigator -- and in a three-person crew, the copilot -- reports in a timely fashion a change in it according to the instruments, especially one in the direction of a decrease.

The "signal distribution blocks-flight engineer" link acquires great importance in accurately maintaining speed. It is necessary to remember that heavy airplanes react lightly to a change in the pitch angle which entails accordingly a change in the vertical and instrument speed. That is why at times the "shaking" of the craft in pitch during flight by the piloting crew member makes it difficult for the flight engineer to maintain speed, just as a delayed submission of a command to change the operating conditions. The flight engineer must react in time when a tendency toward a speed change appears by moving the engine control throttle, desirably by small ones (2-5 degrees for the UPS [signal conversion unit]). He must remember that large changes make it difficult for the commander to pilot the airplane.

If the flight engineer has sufficient training in this matter, it is advisable to entrust him with maintaining the assigned speed during the landing. In any event, however, only the aircraft commander sets the required engine operating conditions from the VPR [expansion unknown].

Considering the rather sharp "seizure" of the glide path that is inherent in the SAU-1T-2 system and after which -- as a rule -- the vertical descent speed is increased with a significant decrease in the operating conditions of the power plants, it is advisable to increase the stabilizer angle manually at that time by 0.5 degrees in order to prevent the appearance of pulling forces on the steering control.

It is known that the quality of a landing depends a great deal on the accuracy of the approach in course and glide path. That is why during a landing approach under difficult weather conditions it is desirable to entrust piloting in the directive mode and monitoring of the automatic equipment in the automatic mode to the copilot. In this case, the commander has an opportunity to monitor the air situation more actively and to decide on a landing or to go around again.

In order to make a softer landing on a runway with sufficient length (3,000 meters or more) with a high engagement coefficient, it is advisable to maintain the approach instrument speed at 10 kilometers per hour more than the design speed. At the same time, when landing on a runway of limited size with an engagement coefficient of less than 0.4, it is necessary to maintain the assigned speed (Vz.p.) strictly. As a result of its large size and landing weight, the Il-86 airplane needs a somewhat earlier start of leveling when compared to the normal narrow-bodied plane.

When approaching with a landing weight that is close to the limit -- especially under conditions of poor visibility -- it is necessary to begin the leveling at a height of 10-12 meters. When doing this, it is necessary to know that the greater height for beginning levelling corresponds to the greater landing weight and to the value of the vertical speed. That is why, if the approach is being conducted at the Vz.p., it is advisable to increase the engine operating conditions by ~ five degrees on the signal conversion unit at the same time that the levelling is begun in order to avoid a loss in speed because of a sharp increase in frontal resistance during a change in pitch. In the case of a landing with a small landing weight (less than 165 tons) under conditions of good visibility, it is sufficient to begin the levelling at an altitude of eight meters. "Making up" of the gas is not required during this. Moreover, during the approach, it is necessary to monitor periodically the value of the incident angle using the AUASP-32. When Vz.p. is plus 10 kilometers per hour, it is (on the average) 10 degrees; when Vz.p. is standard, it equals 11 degrees; and when Vz.p. equals -10 kilometers per hour it equals 12 degrees.

It is necessary to avoid the prolonged holding of an aircraft over the runway in order to avoid an excessive lengthening of the aerial part of the landing distance and a touch-down at low speed with the danger of the fuselage's rear part touching the runway. The sharp pulling of the control

wheel "towards oneself" is especially inadmissible since this will cause a displacement of the aircraft in the longitudinal plane around the center of gravity with the subsequent striking of the main wheels on the concrete or, (what is even more dangerous)-- the rear part of the fuselage. That is why the retraction of the engine control throttle to low gas must be done immediately before touch-down, countering the diving effect that arises during this by a smooth pulling of the control wheel "towards oneself." When landing with a landing weight that is close to the limit, the retraction of the engine control throttle, as a rule, coincides with contact. One must accurately imagine that the premature retraction of the engine control throttle to low gas (higher than five meters) inevitably leads to a rough landing.

In the event of an approach using a steep glide path, the vertical descent speed must be decreased by the end of the runway with a simultaneous increase in the engine operating conditions in order to maintain speed. In order to avoid a rough landing, it is recommended that the vertical speed over the end of the runway not exceed more than four meters per second. When calculating a landing during the final approach leg (either on instruments or visually), it is necessary to sight the airplane's "nose" on the far end of the "zebra" stripes at the beginning of the runway (at night -- on the green approach lights) in order to make a visual longitudinal correction. After touch-down, it is necessary to let the front supports down smoothly onto the concrete at the same time giving the command: "Spoilers!", and then -- "Reverse!" and maintain the direction of travel with balanced pressure on the pedals. When doing this, it is necessary to avoid a sharp lowering of the front supports and the premature switching on of the front wheel turning controls because a severe vibration in them can arise. The origination of such a vibration is easily countered by pulling the steering wheel "toward oneself" in order to take the load off the front member and then, after the disappearance of the vibrations, it is necessary to lower the front support down smoothly. It is necessary to switch on the front wheel turning control from the pedals during travel as the effectiveness of the turning control surfaces decreases and to use the brakes in proportion to the length of the runway and its condition. In the event of a poor braking effect and the threat of running off the runway, it is necessary to use reverse before the complete stopping of the aircraft.

There is another distinctive feature. During a landing approach under International Civil Aviation Organization Category 1 minimum weather conditions, it is necessary to switch on the lamps at night after the airplane has completely come out from the clouds. It is necessary to remember, that the premature switching on of the lamps in this case leads to the creation of a "screen" that blinds the crew.

Under Category 2 minimums, a landing is usually conducted without lamps (in order to avoid the origination of a light screen) on a "light carpet" with a length of 900 meters. This complicates the requirements on computations. Here, success is determined to a great extent by the degree of training and skill of the flight personnel and by the accurate coordination of the crew members.

When a landing is taking place with a crosswind, it is necessary to remove half of the lead angle immediately before touch-down and, after contact, to align the axis of the airplane with the axis of the runway. The list, which originates after application of the pedals before touch-down in the leeward direction, is countered by a commensurate aileron angle in the direction of the wind.

Eliminating Lateral Deviations

At the time visual contact is established and in the event the aircraft is laterally displaced from the runway axis, the aircraft commander should evaluate the magnitude of this deviation. The Il-86, having good transverse controllability, permits a lateral displacement of 40 meters to be eliminated on VPR equal to 60 meters under first category landing conditions. If at that moment the longitudinal axis of the aircraft is within the limits of the width of the runway landing lights and the course is directed toward the runway axis or parallel to it, it is necessary to make a maneuver to eliminate the lateral deviation. If the aircraft is outside the limits of the runway lights or the speed vector (when located on the line of lights) is directed toward the outer part of the runway axis, it is necessary to go around again.

When landing under first category conditions, an S-shaped maneuver is performed in the direction of the runway axis using a coordinated turn with a list of 10-12 degrees. When doing this, it is necessary to "take aim" not at the runway axis but at a quarter of its width and, having achieved this, halt the lateral movement of the aircraft with a smooth turn in the opposite direction with a list of five-eight degrees. Under second category minimum conditions, the Il-86 permits the elimination of a lateral displacement having a magnitude of up to 30 meters with a VPR equalling 30 meters. In this case, the smooth turning of the aircraft in the direction of the runway axis is accomplished by changing the course by two-three degrees. When it is located within the limits of the width of the red approach lights, it is not recommended that a turn be made. Up to altitudes of 45 meters, it is best to perform an S-shaped maneuver, and below it -- a smooth turn.

In all cases, it is advisable to make a landing without crossing the axis of the runway because the threat of landing within a dangerous proximity to the opposite edge of the runway exists. It is especially necessary to be attentive when performing a maneuver in a leeward direction (when there is a crosswind component force). Under these conditions it is very important not to loose speed. A landing under these conditions is not permitted on a quarter of the runway width. After touch-down, it is necessary to align the airplane's longitudinal axis with the direction of the runway's axis immediately.

When landing at reduced angles, extension of the high-lift devices lengthens the aerial section of the landing distance by increasing speed and decreasing frontal resistance. For this same reason, elevator effectiveness is increased. That is why when landing in a 30/25 degree configuration (for example,

in case of an engine failure) the retraction of the engine control throttle to low gas must occur somewhat earlier: not at the end of levelling but at its beginning (after crossing the runway's threshold. In this case, the airplane becomes more "flyable" and reminds one of an Il-62 in its flight dynamics. It is important to keep in mind that it is possible to switch on reverse in all three operating engines on a dry runway, and on one with a lowered engagement coefficient -- only two symmetrical ones.

But what if a landing is being made on two operating engines? In this case, the approach is performed in a 0/25 degree configuration up to a VPR equalling 100 meters. Having convinced oneself of the accuracy of the calculations, the flaps can be lowered at this altitude by 15 degrees and the engine control throttle retracted to low gas 300-400 meters before the beginning of the runway. After touch-down, the reverse of the one internal engine (in the event of a failure of both engines on one side) is turned on. Having smoothly lowered the front support during this, it is necessary to apply full braking, lower the spoilers and brake flaps at a speed of 270 kilometers per hour and immediately cool the wheels with water after leaving the runway. The landing distance of an Il-86 airplane when landing on two engines is increased approximately twofold when compared with a normal landing. Also, when landing on a runway of limited size with a lowered engagement coefficient and also at decreased angles for extension of the high-lift devices, a smooth departure to the glide path from the close-in homing beacon of no more than one point for the repeated directional relay is permitted.

Landing With A Weight That Exceeds the Maximum Permissible One

Quite a few landings with a landing weight of 200 tons were carried out during test flights. In all cases, the high-lift devices were extended in a landing configuration over the long-range homing radio marker beacon, and the speed according to the instrument was maintained accordingly: 290 kilometers per hour with triple-slotted flaps and 300 kilometers per hour with double-slotted flaps. During this, levelling began at a height of \sim 15 meters and a considerable "making up" of gas (10-15 degrees according to the UPS) was required at that time with a decrease in the engines' operating conditions before contact. It is necessary to note that the landings usually occurred very "softly."

What conclusions can be drawn from what has been said? First of all, the fact that a landing, as the most important element of a flight on an Il-86 airplane, does not present any special difficulty for an experienced and trained pilot. The aircraft commanders on this type of airplane are such people. It is only necessary to consider the distinctive features of the heavy wide-bodied airliner, about which we talked above, and to prepare seriously for carrying out each landing considering the specific conditions.

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MARITIME AND RIVER FLEETS

NEW ECONOMIC MANAGEMENT FOR ENTIRE MARITIME FLEET MINISTRY

Moscow VODNYY TRANSPORT in Russian 27 Sep 86 p 2

[Interview with Deputy Minister of the Maritime Fleet Viktor Mikhaylovich Nikolaychuk by VODNYY TRANSPORT editors B. Lavruk and V. Orlov: "The USSR Ministry of the Maritime Fleet's Shipping Companies and Enterprises are Shifting to Full Cost Accounting as of 1 January 1987"; date and place of interview not given; first four paragraphs are VODNYY TRANSPORT introduction]

[Text] The solution of new problems in the economics of maritime transport is not possible today without profound reorganization of the economic mechanism and creation of such an effective and flexible management system as will permit discovering the potential and realizing the capabilities of fleet and shore collectives with the utmost completeness. Shifting to the new way will permit putting the latent reserves to work and intensifying the struggle for acceleration.

In making a speech at a meeting with Krasnodar Kray's partaktiv [most active party members], M.S. Gorbachev said: "It has now been decided, and extensive preparation is in progress for such ministries as the Minkhimmash [Ministry of Chemical and Petroleum Machine Building], Minavtoprom [Ministry of the Automotive Industry], Minneftekhimprom [Ministry of the Petroleum Refining and Petrochemical Industry], Minpribor [Ministry of Instrument Making, Automation Equipment, and Control Systems], Minmorflot [Ministry of the Maritime Fleet]... to shift to conditions of full cost accounting, self-financing, and self-support in 1987...."

In shifting to the new conditions as of 1 January 1987, the ministry's shipping companies and enterprises that carry on basic operational and industrial activity will provide for their scientific-technical, production, and social development through the use of their own earned funds. Naturally, they also will bear full responsibility for the results of their economic activity and the fulfillment of their obligations for freight and passenger carriages and quotas for developing foreign economic relations and industrial production output, as well as for ensuring timely settlements with the budget and the banks. At the same time, the role of labor collectives will grow abruptly in deciding questions of production, labor and management, in developing and implementing current and future plans, and in improving the working and living conditions of workers. For this purpose, the collectives will be granted those qualitatively new opportunities and rights that stem precisely from the principles of full cost accounting and self-financing.

It is difficult to overestimate the importance and meaning of the industry's shift to the new management methods, and the readers' interest is substantial in what these are, and in what main direction the reorganization will proceed. With this in mind, the editorial office turned to Deputy Minister of the Maritime Fleet V.M. Nikolaychuk with a number of questions.

INDICES

[Question] Viktor Mikhaylovich, let us try to organize our interview in such a way that each group of questions and answers reflects one or another of the most important aspects of the new management methods. For example, tell about planned indices in one section, about incentive funds in another, and so on. It is thought that this will be more convenient for both the readers and us.

[Answer] Agreed, especially since attention should be paid, first of all, to precisely those measures that are aimed at expanding the use of the economic management methods in the work of our organizational elements.

[Question] That is, it is a matter of an increasing role for planning?

[Answer] Yes. The significance of the 5-year plan for the industry's economic and social development must be raised far higher. The main thing is to achieve an optimum combination of centralized management with the management independence of our shipping companies/enterprises, free these of petty concerns, and give them a chance to find for themselves the best way of implementing the plans.

[Question] In the present year, three maritime shipping companies--the Baltic, Black Sea, and Latvian--are operating in the new way as an experiment. They have a smaller number of planning indices, by far, than the rest of the shipping companies. Will this principle be retained in the ministry's organizational elements' shift to full cost accounting in the new year?

[Answer] Absolutely. The experience acquired by those shipping companies has been fully used in the process of drafting the regulations about the reorganization in the industry.

[Question] Just what indices and quotas will there be in the annual plan?

[Answer] Not many of them. Incidentally, the indices that are being established by the ministry for the 5-year plan and the year hardly differ from one another. The following indices, shall we say, enter into the annual plan: overall volume of freight carriages/shipments in domestic shipping, in metric tons; revenues from foreign freight and passenger carriages after deducting the costs associated with these carriages; volume of export-import freight carriages/shipments in overseas shipping, in metric tons; labor productivity growth; overall profit from all forms of activity; allocations of state centralized capital investments and construction and installation work, and the activation of fixed capital, production capacities, and facilities for

social-cultural purposes through the use of these capital investments (according to the list of enterprises and facilities established in the ministry's plan for economic and social development); volume of ship deliveries, and funds for fuel and power and basic forms of material-technical resources; and quotas for scientific-technical progress.

[Question] It is known that the development of a system of economic standards has tremendous importance in perfecting the new management methods. If the standards are stable, and established for an entire 5-year plan, then the firm conviction will appear among labor collectives that their good and highly effective work inevitably will be rewarded, both materially and morally. And, conversely--poor work and poor results assuredly will have a negative effect for the entire collective. Therefore, it would be interesting to find out how the standards method will function in the industry in the new year.

[Answer] It was noted in the 27th Party Congress that economic standards are the future instrument of planned management, and a centralized base in managing the economy is flexibly combined in them with the use of the law of value's commodity-money relationships. The importance of both the central economic agencies' and the ministries', as well as the enterprises', being fully proficient with them was stressed. The most dangerous thing in this matter is violating the standards' stability principle. That is why our ministry intends to do everything to ensure that economic standards are used as extensively as possible, and take their deserved place in the shipping companies'/enterprises' planning activity.

[Question] Just what are they?

[Answer] There are 10 of them in all. These, to begin with, are standards for paying for producer goods. When listed in order, these standards follow: deductions from calculated profit into the state budget; deductions from calculated profit to form the ministry's centralized reserve fund; next, standards for growth in the general wage and salary fund of operating shipping companies/enterprises; then standards for the salaries of supervisory personnel, engineering-technical workers, and office workers, excluding afloat-staff workers. There is a wage-and-salary-fund standard for designers, technologists, and scientific workers. Standard ratios of growth in average pay and growth in labor productivity are being established as well. And, finally, there are standards for forming the production, science, and technology development fund, the social-cultural measures and housing construction fund, and the material [monetary] incentive fund.

All of these, something very important, are being developed in composing the control figures for the 5-year plan, conveyed in advance to the shipping companies/enterprises, and confirmed in the 5-year plan, and are stable throughout that period.

[Question] In the organizational elements' cost accounting activity, one might say that profit becomes the most important overall economic index for them. How is its use foreseen?

[Answer] Indeed, profit is the main source from which the production and social well-being of the collectives will be provided. If one speaks of its distribution order, then henceforth an order exists, and it is very clear-cut.

The following priority order has been established for the use of planned and actually received profits by shipping companies/enterprises: First of all, there is payment for producer goods and deductions into the state budget. Then comes payment of the interest on short-term credits [loans] and the deductions for forming the ministry's centralized reserve fund.

The profit remaining at the organizational elements' disposal is directed into the following three main funds according to the established standards: into the fund for developing production, science, and technology; into the fund for social-cultural measures and housing construction; and into the material incentive fund.

The introduction of other payments and deductions from profit, not called for by effective legislation, is not permitted. Settlements with the state budget are effected in a decentralized manner by each organizational element, according to stable standards.

[Question] The collectives' work under self-financing conditions calls for the closest, even the strictest, relation between the end results they achieve and the funds they earn for expenditures on scientific-technical, production, and social development. A question arises: The resources of which funds, respectively, will be used for all of these expenditures?

[Answer] I shall answer briefly. Capital investments for the technical re-equipment, reconstruction, and expansion of shipping companies'/enterprises' existing production, and for the procurement of ships and floating devices and equipment will be taken from the fund for developing production, science, and technology. In regard to capital investments for the construction of housing and facilities for sotskultbyt [social and cultural services], these will be financed by using resources of the fund for social-cultural measures and housing construction. In addition to this, USSR Stroybank [Bank for Financing Capital Investments (Construction Bank)] credits [loans] may be used, with their pay-off through the use of one or the other fund.

[Question] Well, but if the need arises to construct, say, a new port? Who, then, will finance it?

[Answer] Such an alternative is entirely possible. Therefore, the construction of new and expansion of existing enterprises having industrywide significance, and foreseen by the established list for the 12th 5-Year Plan, including construction of facilities of the production and social infrastructure for these, as well as expenditures for the procurement of ships and floating devices and equipment, will be effected through allocations from the state budget and other centralized sources.

[Question] It is known that shipping companies are concluding contracts for freight transport when working in the new way. However, it may, indeed, happen that a contract will have to be revised due to causes not depending upon the collective. One must not forget that the maritime commercial fleet's activity is very specific. So, then, are such situations taken into account in the regulations concerning the industry's new management mechanism?

[Answer] Yes, they are taken into account. The shipping companies, the foreign trade associations of the MVT [Ministry of Foreign Trade] and GKES [USSR Council of Ministers' State Committee for Foreign Economic Relations], and other shippers/receivers of freight are authorized to refine jointly the volumes of foreign-trade and domestic freight called for in contracts concluded for a year on the basis of quarterly plans, with the drawing up of appropriate supplements to the contracts.

The shipping companies provide for additional carriages through the use of their own fleet and a fleet leased from other shipowners, as well as additional charter of foreign tonnage. In this connection, the USSR Vneshtorgbank [Foreign Trade Bank] is authorized to pay the corresponding expenses in currency.

[Question] Do the new conditions provide that both parties bear responsibility for observance of the contracts? We have in mind both the shipping companies and the freight shippers and receivers.

[Answer] Well, in the first place, the mutual material responsibility of both the parties for fulfillment of monthly plans and schedules of freight carriages, as well as for the intactness of the goods, is regulated by effective legislation. And, in the second place, a system of various kinds of sanctions and fines has been developed to strengthen state discipline and increase the responsibility of shipping companies and freight shippers/receivers for carrying out planned carriages, taking the obligations according to concluded contracts into account. I think that this system will help both the one and the other party maintain businesslike relations.

[Question] The industry's production organizational elements are shifting to full cost accounting. And on what funds will, say, the educational institutions live in this process?

[Answer] The following decision has been made in this matter--to discontinue, as of 1 January 1987, the financing of the higher and secondary educational institutions, the training fleet, and the other institutions and organizations directly subordinate to our ministry according to the list agreed upon with the USSR Ministry of Finance, as well as their operating and other expenses, by the use of state-budget funds. This means that all of their expenses will be financed through the use of the industry's centralized fund and the shipping companies'/enterprises' own funds.

[Question] One of the Minmorflot's [Ministry of the Maritime Fleet's] basic fields of endeavor is the foreign economic. From this stems, as well, a prin-

cipal task--to meet the national economy's requirements for carriages of export-import freight. In your view, in what will the new methods be manifested most characteristically in precisely this sphere of the ministry's and shipping companies' work?

[Answer] Without getting into details, I shall just say that great independence is granted to both the ministry and the shipping companies in carrying out export-import operations. But, at the same time, no less responsibility is placed upon them. In mastering and developing effective forms of cooperation with the brotherly socialist countries and arranging mutually advantageous relations with the capitalistic and developing states, maritime transport's collectives will make their contribution to the international division of labor and to strengthening the cause of peace on our planet. The importance of the struggle for a decisive reorganization of foreign economic activity is especially stressed, also, in the recently published CPSU Central Committee and USSR Council of Ministers resolutions "On Measures to Improve the Management of Foreign Economic Relations" and "On Measures to Improve the Management of Economic and Scientific-Technical Cooperation with Socialist Countries."

FUNDS

[Question] Let us turn now to another group of questions, the theme of which may be lumped under the single word "funds." The importance of these is unquestionable, inasmuch as they are destined to determine the most diverse aspects of the production and social life of the industry's organizational elements to an ever greater degree. And we probably should start with an explanation of how the fund for developing production, science, and technology is formed and will be used.

[Answer] This fund is created at the expense of the amortization deductions for the complete restoration of fixed capital. However, this is only one of its sources. Formation of the fund also is effected through deductions from profit according to an established standard, and from the proceeds obtained after the sale of out-of-service and excess property.

The organizational elements may use the aforementioned fund for technical re-equipment and expansion of enterprises, procurement of ships, and paying off long-term USSR Stroybank loans; and for scientific research, experimental, and planning and designing work. Now, having the funds and the right to dispose of them, the collectives will be able to buy licenses, equipment, and instruments, finance the introduction of progressive technological processes, put money into auxiliary equipment for the construction and repair of local motor-vehicle roads, etc.

A spending estimate for the fund is drawn up with the labor collective's participation, and approved by the shipping company's/enterprise's director.

[Question] Well, but how will it be if, let us say, a shipping company still experiences fund shortages?

[Answer] In such a case, it will be able to apply to the USSR Stroybank for assistance. The latter will give credit to the shipping company, but within certain limits, of course. What is more, shipping companies can set aside temporarily unobligated resources of the production, science, and technology development fund in the USSR Stroybank, which, in its turn, will pay them interest on the invested sums, even for this.

[Question] The fund of which we have been speaking is related, first of all, to the production aspect of a collective's life. However, another aspect--the social--has no less importance.

[Answer] Absolutely correct. By one of its directions [provisions], the reorganization provides precisely for improvement of the labor collectives' housing and other social and living conditions to proceed steadily, and through the use of funds earned by the collectives at that. The fund for social-cultural measures and housing construction serves this purpose. Its formation is effected by means of deductions from profit according to an established standard. Construction of facilities for social-cultural and municipal-services [kommunalno-bytovoye] purposes, their contents, and expenditures for other social-cultural needs are financed from the fund.

Complete independence will be granted to the shipping companies in the fund's use, and, at the same time, it will be recommended to them to put no less than half of the money into the construction of housing, childrens' preschool institutions, polyclinics, hospitals, profilaktorii [night/off-duty sanitaria], etc. The ispolkoms [executive committees] of the local soviets are obliged to accept funds from the shipping companies, and assign housing space and facilities for social-services [sotsialno-bytovoye] purposes to them, on the basis of effective regulations and standards, in proportion to the money transferred.

I especially wish to stress that this fund is not subject to confiscation and redistribution, and it may be set aside for use in subsequent years. And another thing--the USSR Stroybank has the right to grant a long-term credit [loan] to the shipping companies in an amount up to 50 percent of the construction cost of apartment houses or other facilities for social-cultural and municipal-services purposes, with its pay-off in a period up to 6 years from the activation date of these. In general, the role of credit will grow abruptly under the new conditions, and credit will function much more effectively than before.

INCENTIVES

[Question] In order to interest labor collectives in production efficiency and product quality it is necessary to strengthen the dependence of every worker's pay for labor upon his personal/her personal contribution to end results. The wage and salary fund and the material incentive fund will serve to solve these problems for the most part. That is why we should like to find out how they will function in the new management mechanism.

[Answer] The importance of this matter was noted at the party congress. In particular, it was said that it is necessary for the amount of the enterprises' wage and salary fund to be tied directly to the revenues from the sale of their products. This instruction underlies the regulations concerning the provision of incentives to fleet and shore workers in work in the new way. Now, the overall wage and salary fund for the shipping companies'/enterprises' workers, including nonproduction personnel, will be formed according to a standard for every 1 percent of growth of comparable revenues in basic operational activity and production, in standard processing value, and in industrial activity.

The right has been given to management directors to institute, by agreement with the labor union committees, differential additions to wage scales for an occupational skill. For example: for third-class workers--in an amount up to 12 percent, for fourth-class--up to 16 percent, for fifth-class--up to 20 percent, and for sixth-class--up to 24 percent of the appropriate wage scale; to dock worker-equipment operators having third-class qualification--up to 15, second-class--up to 20, and first-class--up to 25 percent of the wage scale; and to workers of the ordinary afloat staff--up to 10 percent of the job salary. The additions are awarded to those who constantly ensure high quality of products being put out, and have mastered new occupations and allied functions. They are paid by the use of wage and salary fund savings. Naturally, the additions may be taken away in the event of decline in one or another of the worker's performance indices, especially for defective work.

[Question] Is an increase of incentives planned in the port-worker brigades?

[Answer] It is planned to create a brigade-leader or brigade-council bonus fund in UKB's, [expansion not given] the strength of which is over 50 persons. Its amount--up to 5 percent of the collective's overall pay. Of course, this bonus fund will be created in the collectives fulfilling planned quotas. Its specific amount will be set in proportion to the brigade's contribution to the overall results of the port's work. The fund will be used to encourage dock worker-equipment operators and other workers entering into a brigade's composition, who distinguish themselves in ahead-of-schedule and high-quality loading and unloading of ships and other transport means, and in efficient use of cargo-transfer technology.

[Question] But will additions be awarded to specialists?

[Answer] Of course, but only for high achievements in work, or for carrying out especially important work. The amount will be up to 50 percent of job salary, by the use and within the limits of savings in the wage and salary fund for the appropriate category of workers. The additions will be canceled in the event of poor work. In a word, the specialists will have to improve their skill constantly and work highly productively, and then their pay also will increase markedly.

[Question] The right to management independence should enable the managers themselves to decide the issues of the management's organizational structure and the appropriate incentives. This problem has been brought up more than once by our readers. Can it be said that it will be solved?

[Answer] Yes. As of the new year, the managers of shipping companies/enterprises are authorized, by agreement with the MMF [Ministry of the Maritime Fleet], to establish their management structure. The right is being given them to assign job salaries to engineers, technicians, and office workers without adhering to average salaries according to the staffing schedule, and without regard for the numerical strength relationships of specialists in the various qualification categories, within the limits of their wage and salary fund as established by the appropriate standards.

[Question] Heretofore we have been talking about intensifying cost accounting in the production organizational elements. However, there are, in addition, scientific research and planning and design organizations in the industry as well. Increasing the effectiveness of their activity also is a task of no small importance.

[Answer] The ministry has been given the right to shift them to full cost accounting and self-financing. The main objective--to ensure the direct dependence of these organizations' development and their staff members' pay for labor upon the technical and economic [tekhniko-ekonomicheskiy] level of their work and the reduction of times and expenses for creating and introducing new equipment and technology.

[Question] Viktor Mikhaylovich, now let us examine the material incentive fund. How will it be used under the new conditions?

[Answer] Its formation takes in the resources of all bonus funds, the sources of which, at the present time, are profit and the production cost of carriages/products. The amount of this fund is set in the 5-year and annual plans. By the way, the fund is reduced by 3 percent for every 1 percent of the annual plan's nonfulfillment, and increased by 15 percent upon completely fulfilling the contracts.

At the end of a year, unused savings in the wage and salary fund are transferred to the material incentive fund on condition of the fulfillment of the freight carriage plan and the quotas for growth in labor productivity.

In the event of overexpenditure of the wage and salary fund, resources of the material incentive fund are directed into its coverage (within limits of the wage-and-salary-fund savings transferred to the material incentive fund in the preceding year).

In the event of violation by shipping companies/enterprises of the ratio established for the years of the 5-year plan between growth in average earned pay and growth in labor productivity, both in the plan and in the report, a corresponding part of the incentive fund either is placed in reserve, or is transferred to the fund for social-cultural measures and housing construction.

When developing 5-year and annual plans, shipping companies may direct a part of the fund's resources, by agreement with the labor collectives, into financing social-services [sotsbyt] facilities.

[Question] And may allied enterprises, which help our collectives in increasing maritime transport's work efficiency, be provided with incentives?

[Answer] A part of the resources of three funds may be transferred to allied enterprises and scientific research organizations to provide incentives for the solution of complicated technical problems, as well as accelerated performance of work on the technical re-equipment of fixed capital, and for the construction of facilities for nonproduction purposes.

The possibility of transferring part of the material incentive fund's resources to allied enterprises in a transport center, and to other organizations, regardless of their departmental subordination, permits interesting all transhipment-process participants in expediting the loading and unloading of ships and carrying out repair and other important work. The experience of the Illichev people, who were able, in a short time, to increase labor productivity substantially and expedite freight passage through the transport center, having used such provision of incentives, serves to confirm this.

In conclusion, I shall add that a big job lies ahead, and it is necessary to prepare very carefully for the reorganization. And the more effectively the industry's collectives begin to work in the new way, the greater the successes they will achieve in implementing the party congress decisions.

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